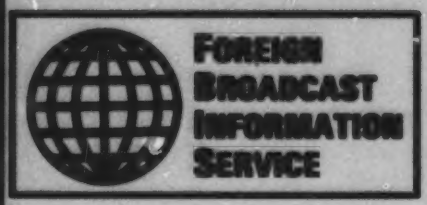

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Karadzic Pleased Talks Continuing at U.N.

LD0402113393 Belgrade TANJUG in English 1049 GMT 4 Feb 93

["Pool" item]

[Text] New York, Feb 4 (TANJUG)—Representatives of the three warring ethnic communities in Bosnia-Hercegovina—Moslems, Serbs and Croats—are on Thursday [4 February] to join in intensive consultations at the United Nations in quest of a solution to the crisis in that former Yugoslav republic.

Bosnian Serbs and Croats are represented by their leaders Radovan Karadzic and Mate Boban, respectively. Bosnian Moslem leader Alija Izetbegovic has refused to travel to New York and is represented by his Foreign Minister Haris Silajdzic.

On arrival, Karadzic told the assembled U.S. journalists and foreign correspondents accredited to U.N. headquarters he was pleased talks on peace for Bosnia were continuing under the aegis of the U.N. Security Council, which he said showed the international community understood that Bosnia-Hercegovina neither was nor could be a unitary state. This is evident also from the fact that all the three sides are taking part in the talks, he said.

U.S. television networks are vying with each other for interviews with the Bosnian Serb delegation.

Karadzic hoped that a solution to the Bosnian crisis would be found and stressed it would not be good for anybody to count on the defeat on any one side to the conflict. He added that this had never been the intention of Bosnian Serbs.

A spokesman for Cyrus Vance and Lord Owen, the cochairmen of the Geneva conference on former Yugoslavia, has announced a few days of quiet meetings before the Security Council joins in the talks.

Vance and Lord Owen have informed the permanent members of the Security Council of their peace package for Bosnia, proposed at Geneva, and have obtained the support of all the permanent members except the United States. The European Community has appealed to the United States to uphold the package.

Lord Owen has several times made it clear that Washington's reluctance to uphold the peace plan was encouraging Izetbegovic in his intransigence and his hope that the embargo on selling arms to former Yugoslavia would be lifted in the Moslems' favour, or that there would be a foreign military intervention.

Lord Owen said on Tuesday that U.S. President Bill Clinton should stop thinking in terms of using force in the Bosnian conflict and should make it clear to Izetbegovic that there was no alternative to the talks.

The NEW YORK TIMES quotes White House sources as saying that Washington neither supports nor rejects the Vance-Owen plan.

The daily writes that Washington will not oppose the plan if all sides to the conflict agree to it, but does not expect the Bosnian Moslems to accept it and will not put pressure on them to do so.

Other questions concerning conflicts in former Yugoslavia, primarily Croatia's aggression on the U.N.-protected Republic of Serb Krajina (R.S.K.), will also be discussed during the consultations at the United Nations.

Croatian Defence Minister Gojko Susak is expected in New York on Thursday and R.S.K. representatives are expected on Friday for separate talks on the problem.

Croatia launched its attack on the R.S.K. on January 22, violating a U.N.-brokered truce, and continues its aggression despite two Security Council orders to withdraw to behind the truce line. About 1,000 people have been killed, more than 800 of whom civilians, since Croatia resumed hostilities.

China Expects UN Contribution to Peace

LD0402101393 Belgrade TANJUG in English 0924 GMT 4 Feb 93

[Text] Beijing, Feb 4 (TANJUG)—China expects that the U.N. Security Council will by its next resolution contribute to a peaceful settlement of the Yugoslav crisis.

An official Chinese Government spokesman told TANJUG on Thursday [4 February] that Beijing was committed to the view that the crisis in former Yugoslavia had to be resolved by peaceful means.

The spokesman said China believed that the international community would contribute to a political resolution of the crisis, and that the warring sides would reach a political solution through negotiations as soon as possible.

China has reaffirmed its opposition to a military intervention as a possible solution to the crisis in former Yugoslavia. Although the Chinese press has mentioned such a possibility as an option being considered by the West, official Beijing has since the beginning of the Yugoslav crisis adhered to the view that only negotiations and compromises can bring about a lasting and peaceful solution to the crisis.

Beijing holds that everything else, including sanctions and threats of force, can only aggravate the conflict and create a situation in which the war could spread to the entire Balkan region.

Intensive consultations continue in the Security Council in connection with the process of resolving the ten-month old war in the former Yugoslav Republic of Bosnia-Hercegovina and the crisis created by the latest aggression of Croatia on the U.N.-protected Republic of Serb Krajina.

Meciar Denies Slovaks Asking for Czech Loan

AU0402095993 Prague LIDOVE NOVINY in Czech 1 Feb 93 pp 1, 8

[Report by CTK: "Speculation About Credit"]

[Excerpt] Prague/Bratislava/Davos—Slovak Economy Minister Lubomir Cernak (Slovak National Party) confirmed on Saturday [30 January] that Slovakia has asked the Czech Republic for a 10 billion-koruna loan. He said at the World Economic Forum in Davos that the request was made because Slovakia is expected to bear a larger portion of the Czechoslovak debt than it had anticipated. However, Vladimir Meciar yesterday denied that he had asked Czech officials for a loan.

"We said yes, but we do not have enough to pay the unexpected amount, which represents—first and foremost—Slovak National Bank liabilities amounting to roughly 20 billion korunas," said Cernak. Czech politicians, apparently, reacted favorably to the request, and have proposed a 10-year loan. As far as the payment agreement between the Czech and Slovak Republics is concerned, there are—according to Cernak—two possible options. To conduct trade in national currencies and to settle deficits in foreign currencies via the clearing method or to charge and settle accounts directly in foreign currencies. The option of mutual convertibility has not, according to Cernak, been completely ruled out, and will—in all probability—be applied in tourism and personal payments. In Cernak's opinion, Slovakia will not have to devalue its currency even after separation, because it will have sufficient resources of its own—especially after the division of Transgas—to enable it to maintain internal convertibility. According to him, Slovakia is technically prepared for currency separation and could implement it this week.

Czech Prime Minister Vaclav Klaus on the same day denied media reports that Slovakia had asked the Czech Republic for financial assistance. "These reports are untrue, and are a figment of journalists' imagination," he said according to REUTER. Another Czech official, who did not wish to be named, said, however, that a sum of 10 billion korunas is to be earmarked for the purchase of Czech products by Slovak buyers. According to him, Meciar has said repeatedly that Slovakia would not be able to pay without this assistance. However, according to REUTER, Klaus said the "reports on financial assistance for Slovakia are based on a misunderstanding of the agreement on how the Czech and Slovak Republics will conduct mutual trade after the currency separation. In the interest of sustaining trade between the two new republics, the Czech and Slovak Governments are planning to conduct trade in their own currencies with the proviso that deficits are settled in hard currency. It is normal for two sides to have some kind of credit facilities under a clearing arrangement," said the Czech prime minister. No reference was made to traditional credit arrangements during the negotiations between the Czech and Slovak officials. "If we are looking for a clearing system in terms of payment, then this system has a certain so-called credit limit, which is a technical payment term that has nothing whatsoever to do with credit," emphasized the Czech prime minister. [passage omitted]

Croat-Slovene Talks Mark New Period in Relations

LD0302224293 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 3 Feb 93

[Text] Zdenko Skrabalo and Lojze Peterle, foreign ministers of Croatia and Slovenia, met this evening in the tourist resort of Otocec on the Krka River. A news conference was held after the talks. Our reporter Andjelko Perincic was there:

Expressing great satisfaction and a great similiarity of views during the talks, Ministers Skrabalo and Peterle issued a joint statement in which they said, among other things, that today's talks marked the beginning of a new period in the development of mutual Croatian-Slovene relations. During the meeting the two ministers discussed many issues of mutual interest, from transport via economy to ones on how to resolve mutal land and sea borders and minority problems. They reached the conclusion that it was in both countries' interest to deepen and improve present relations and resolve all problems which had arisen at the time our two new countries were created.

The foreign ministers agreed on priority tasks concerning open issues and on a meeting between delegations from both governments to be held over the next few weeks in Ljubljana. Groups of experts and ministers from both sides will meet prior to this. The ministers and the expert groups will prepare joint topics for the meeting of the heads of the two countries' governments. It was also agreed that both sides would refrain from any activities which would jeopardize the present constructive atmosphere and mutual cooperation and that controversial issues would be tackled within the framework of the abovementioned meeting between the two governments' delegations.

Adherence to UNSC Resolutions Reaffirmed

AU0302170593 Sofia BTA in English 1656 GMT 3 Feb 93

["Bulgaria Confirms Its Readiness To Continue To Assist the Strict Observation of UN Security Council Resolutions"—BTA headline]

[Text] Sofia, February 3 (BTA)—Bulgaria's diplomacy is continuing its efforts in elucidating the stand, legitimacy and expediency of the activities of the Bulgarian Government in observing the resolutions of the UN Security Council for imposing sanctions against Serbia and Montenegro, including in respect to the Serbian vessels loaded with petroleum which passed through the Bulgarian-Romanian section of the Danube, according to Foreign Ministry spokesperson Veneta Momcheva. The Bulgarian Embassies in Russia, Ukraine and Romania are presenting official notes to the foreign ministries in Moscow, Kiev and Bucharest. These notes point out that the Bulgarian side cannot be held responsible in cases when vessels which have passed through the territorial waters of other states in violation of the resolutions of the UN Security Council enter the Bulgarian-Romanian section of the international navigation route along the Danube. It is also pointed out that no Bulgarian companies are engaged in the transportation of petroleum along the Danube and that there are no facilities for loading or unloading liquid fuels and oil products along the Bulgarian bank of the Danube. If any documents are presented by "any country" institution or company, they should be considered invalid and the Bulgarian sides asks to be informed of this immediately.

Bulgaria confirms its readiness to continue to assist the strict observation of the resolutions of the UN Security Council for imposing sanctions against Serbia and Montenegro.

The Bulgarian representation in New York will circulate this note as an official document in the world organization.

Multilateral Meeting Held on River Embargo

AU0302201293 Sofia BTA in English 1929 GMT 3 Feb 93

[Text] Ruse, February 3 (BTA)—Representatives of the customs authorities and other competent bodies in the cities of Ruse (Bulgaria) and Giurgiu (Romania) engaged in the enforcement of the sanctions against Serbia and Montenegro met today to discuss international cooperation in exercising control over vessels passing in transit along the Danube and to map out more efficient measures for checking their papers. This was the first meeting of this kind and it was attended by three representatives of the State Finance Service with the U.S. Congress, leaders and members of missions in Sofia, Bucharest and Ruse and by EC and UN observers of the enforcement of the embargo as well as by officials of the U.S. embassies in Bulgaria and Romania.

The general assessment was that the meeting was useful and that the international observers have rendered concrete aid with advice and experience for preventing violations of the UN sanctions the observation of which is obligatory for the local authorities. According to the Americans, the Bulgarians and Romanians have done everything possible in order to observe the embargo though this has cost both countries a lot.

The meeting did not discuss the possible use of force because this is an issue to be settled at government level. It was announced that the patrol cutters promised to Bulgaria and Romania are in Baltimore expecting merchant ships of the two countries to take them. It was decided for two international observers in Bucharest to move to Giurgiu to improve the coordination of the activities along the two banks of the Danube in the enforcement of the sanctions.

The U.S. state officials will sum up in a special report to the U.S. Congress their observations on the organization and activities in the enforcement of the embargo in Croatia, Hungary, Romania, Bulgaria and later in Macedonia. They will visit Sofia tomorrow and the day after tomorrow and will have meetings at the institutions in charge with the implementation of Resolution 787 of the UN Security Council.

Berov, Zhelev Conflict Over Danube Embargo Noted

AU0402081793 Sofia KONTINENT in Bulgarian 30-31 Jan 93 p 8

[Commentary by Svetoslav Terziev: "Dangerous Confusion"]

[Text] On home soil, Prime Minister Lyuben Berov reassured the people that he will not involve the country in violent acts against the Yugoslav vessels on the Danube River, but abroad President Zhelyu Zhelev declared to the participants in the Davos forum that nevertheless this might happen, "but only within the framework of a coordinated UN operation."

Whom is one to believe?

At a critical juncture, when a wrong decision may drag Bulgaria into a war that no one wants, the higher echelons of power are unable to coordinate their positions and to state a common viewpoint to the Bulgarian people and the world at large. One gets the impression that following Stoyan Ganev's term as foreign minister, Bulgarian foreign policy continues to waver as a result of improvisations.

The label "UN operation" could never serve as an excuse in the event of a fatal step being taken. Bulgaria can learn a lesson from Turkey, which during the war waged by the Western allies in the name of the United Nations against Iraq did not join directly in the operation against its neighbor. Ankara merely permitted the Americans to use

their bases on Turkish soil and left them to fight as much as they wanted on Iraqi territory.

The Americans come and go, but the neighbors remain....

Berov Says Serb Arms Embargo May Be Lifted

AU0302201493 Sofia BTA in English 1954 GMT 3 Feb 93

[Excerpts] Cherven Bryag, northern Bulgaria, February 3 (BTA)—It is possible that the arms embargo on Serbia and Montenegro may be lifted following pressure from some European states, including Germany, according to Prime Minister Lyuben Berov who, with Deputy Prime Minister Evgeni Matinchev, today visited a plant producing tanks and personnel carriers based in Cherven Bryag (recently renamed Beta Co.). [passage omitted]

Later on Mr. Berov told reporters he saw current Deputy Foreign Minister Dimitur Ikonomov as the most appropriate nominee for the foreign minister's post, one all political forces would likely accept.

The cabinet's programme will be ready on Friday [5 February] , at the latest, Mr. Berov said. He declined to comment on reports of Bulgarian volunteers fighting in Bosnia-Hercegovina. There is absolutely no evidence proving these allegations, according to him. No tragedy should be made of the resignation of National Bank Governor Todor Vulchev, the prime minister said. It is clear to all that Prof. Vulchev will stay at the helm for the at least another three or four months, he said. Political interests are behind all this fuss, he said.

Barge Incidents Seen as Plot To Split Balkans

AU0302162093 Sofia KONTINENT in Bulgarian 30-31 Jan 93 p 8

[Commentary by Vladimir Dvoretski: "Is There a 'Sliver' Plan To Split the Balkans?"]

[Text] The circumstances accompanying the incident of the Serbian oil convoys on the Danube are so unusual that even the most down to earth people could not deny the existence of a geopolitical "sliver" [a plot envisaged to introduce a split, an expression that was originally applied to an alleged communist plot to split the democratic movement in Bulgaria] plan. Listen to the story and judge for yourself:

While combat actions were once again resuming in former Yugoslavia, a few Serbian vessels began, most insolently, to push some tankers upstream on the Danube under the very eyes of UN observers. In the meantime, the official representatives of the Western powers warned the Bulgarian and Romanian authorities to fulfill their obligations as UN members and to stop the oil convoys by all available means (despite the threats of a Serbian captain to blow up his cargo if stopped).

Evidently, someone is trying to upset our balance and to force us to do the dirty work after the NATO allies failed to agree on such actions. The result of a similar conflict would hardly be of particular advantage for any Balkan country whatsoever, considering that the ecological consequences could be disastrous. The outside element, which is pulling the strings in this case, is either aiming at a conflagration in Europe's Achilles heel, as we may call the Balkans, or is trying to build a new state in its own image on the ruins of the Balkan states. If there should be two puppeteers who are pulling the strings, however, they have certainly agreed that one of them should get control over the oil supplies from the Middle East, while the other could build an Islamic republic a few kilometers away from Rome and Vienna....

Deputy Minister Urges Consensus on Foreign Policy

AU0402110293 Sofia KONTINENT in Bulgarian 30-31 Jan 93 p 9

[Interview with Valentin Dobrev, deputy minister of foreign affairs, by Boyko Pangelov; place and date not given: "Foreign Policy Is Strong When All Political Forces Rally in Support of National Interests"]

[Text] [Pangelov] What is our diplomacy doing while the atmosphere in the Balkans grows increasingly tense? Is it not too passive?

[Dobrev] Some of our initiatives concerning the Balkans are supported by NATO and the EC. They are related to regional security, to the observers' mission at the borders, as well as to the sanctions against Serbia and Montenegro. On a bilateral scale we have consolidated our relations with Turkey and Romania, in the first place, on the legal basis of treaties.

[Pangelov] Nevertheless, it appears that Turkey is the most active country in the region, both concerning the question of the Black Sea zone and of Bosnia, and also in connection with the organization of an all-Balkan conference. Is this so?

[Dobrev] Our preliminary condition for convening an all-Balkan forum was the settlement of the Yugoslav crisis in the most general terms. The conference was supposed to be the next step. The preliminary condition has not been fulfilled in our view. Nevertheless, we cannot remain in isolation, therefore we are participating in the Balkan meeting, albeit on a lower level. This is all. As a result of the cabinet crisis, Bulgaria was not as active as usual in the foreign policy sphere. This situation is likely to change as soon as things have settled down. Domestic stability is of utmost importance for our foreign policy.

[Pangelov] Numerous observers expect an expansion of the military conflict in the Balkans. If this should happen, should we rely on our traditional allies? Is diplomacy seeking their support?

[Dobrev] We are against a revival of blocs and we have renounced "historical traditions" as regards our relations with neighboring countries. We support European standards of behavior in the Balkans.

[Pangelov] Nevertheless, this wish is not shared by all our neighbors. Should we ignore the revival of nationalism in our neighboring countries? In Romania, for example, certain forces claim the territory of Southern Dobrudzha.

[Dobrev] Nationalistic parties exist in our country as well.

[Pangelov] Yes, but they are weak and not represented in parliament.

[Dobrev] This is what the public thinks, and it is perhaps the reason for the exceptional support of the EC and the United States for our country. Unfortunately, our partners do not always react in the same way. As soon as Bulgaria normalized its relations with Turkey, it evoked the negative response of Greece, which in our view was totally unjustified.

[Pangelov] Similar reactions followed Bulgaria's act of recognizing Macedonia.

[Dobrev] We highly value our friendly relations with Greece, which we confirmed on several occasions. We have understanding for the difficulties of our Greek partners in connection with the recognition of Macedonia, and we are trying not to create additional problems.

[Pangelov] Is it not strange that we were the first to recognize Macedonia, while we have still not established diplomatic relations with that country?

[Dobrev] We postponed the establishment of diplomatic relations until Macedonia is recognized by the EC, but we have virtually recognized it.

[Pangelov] Certain politicians in Skopje told me that the postponement of diplomatic relations aroused their suspicions about Bulgaria "plotting" something.

[Dobrev] I do not see any reason for them to be afraid. We based the legal act of recognizing Macedonia's independence on certain conditions regarding the necessity amendments to the Macedonian Constitution. I am talking about Article 49, which reads that the Macedonian state shall protect all Macedonians in neighboring countries, regardless of their citizenship. This contradicts international law. Legal protection can only be effectuated by the state whose citizen an individual is. The rest signifies interference into another country's domestic affairs. We also insist on the observance of the Helsinki principles, such as human rights, free exchange of information, and so forth.

[Pangelov] As a matter of fact, on the occasion of our Skopje visit the Macedonian customs officials tried to confiscate the dozen Bulgarian newspapers we were carrying.

[Dobrev] So you know what I am talking about from your own experience. We cannot overlook the fact that Bulgarian books and newspapers are confiscated, that anti-Bulgarian pamphlets and articles continue to appear in Macedonian government organs. We are still being informed that individuals who publicly declare their Bulgarian identity are subject to repressive measures. We insist that the citizens of the Republic of Macedonia should be free to choose their own national and ethnic identity, as is the case in our country. We expect the Macedonian leadership to demonstrate their adherence to all-European principles and to provide evidence for their readiness to be worthy partners in European relations, and especially in Balkan relations, which matters to us above all. It is very important for Bulgaria that its neighbors should be law-governed states.

[Pangelov] Do you have the feeling that any exterior pressure is being exerted upon our country on the question of Macedonia and in connection with other foreign policy activities?

[Dobrev] I would not speak of pressure. However, it is normal for certain states with greater economic and world political power to try to influence others. This is the rule. Nevertheless, we have so far managed to base our actions on international law rather than on political opportunism.

[Pangelov] I hope that the same applies to national interests.

[Dobrev] Naturally. Our foreign policy is strong when it is supported by all political forces, as happens in all our neighboring countries. The political forces in Turkey and Greece, and also in Romania, let alone Serbia, are united whenever national interests require it.

[Pangelov] Are there any indications that this might happen in our country as well?

[Dobrev] The recent initiatives on our Balkan policy were supported by all parliamentary groups. I do not wish to say that this policy is perfect from all points of view. Foreign policy requires a large amount of financial resources and experienced specialists. Both assets are sometimes in short supply. The first is always missing, while the professional skills of the cadres are not always at the necessary level.

[Pangelov] Was the ministry up to its task when Filip Dimitrov visited the Golan Heights? The Arab countries were offended by that act.

[Dobrev] It was the fault of the prime minister's adviser, who failed to provide an accurate explanation. The sole purpose of Mr. Dimitrov's visit was sightseeing. His

advisers should have consulted us, because a prime minister cannot be expected to know all the UN Security Council resolutions.

[Pangelov] Has our foreign policy any priorities at all? At one time the United States was described as such, later on we switched to Western Europe....

[Dobrev] We live in Europe and in the Balkans, which are part of Europe and have their own peculiar historical aspects. We should not mistake wishful thinking for reality. Some of our politicians did not wish us to participate in the Black Sea economic cooperation, insisting that we should rather join the Central European Initiative. The idea is not feasible for the simple reason that we do not belong to that region.

[Pangelov] Under such circumstances, would you say that the East European countries, which were our allies and partners until recently, are unnecessarily neglected?

[Dobrev] This is not the fault of Bulgarian diplomacy.

[Pangelov] Do you mean to say that they are not paying attention to us?

[Dobrev] After the Warsaw Pact and CEMA were disbanded, the former allies tried to escape in all directions and did everything within their power to forget their old relations. However, it turned out that their economic systems were not prepared for such a rapid transition. They went from one extreme to the other. Some irrational, psychological factors may perhaps be involved, such as the wish to break with the past as soon as possible without searching for an alternative. The fact is that our economies were closely linked, and this applies to Bulgaria and the former Soviet Union in particular. Despite the reluctance of some influential Bulgarian politicians, who could not overcome their emotional attitude, we managed to settle our relations with the aforementioned countries on the legal basis of new treaties without binding our economic ties with them to requests for political or military cooperation. Unfortunately, our ministry is not in a position to influence our foreign economic ties. This depends on the economic departments from which we did not get any support. Nevertheless, it also depends on the readiness of our partners. The difficulties on the Russian side are even greater than ours.

[Pangelov] In mentioning "some politicians" do you mean the former prime minister?

[Dobrev] No. Such intentional rumors were spread in parliament, above all, through interviews in the print media. Let us take one example. The ministry was accused of not doing anything about the introduction of a visa regime with the former USSR, which apparently promoted the infiltration of the Russian Mafia in our country. I tried to explain that even a visa regime could not be effective as long as there is no control at the borders and no cooperation between the two countries' security services. This cooperation is totally non-existent today, because of the fear that it might involve new "connections" with the KGB. I do not see how diplomats can combat the Mafia.

Zhelev, Yeltsin Discuss Bilateral Relations

AU0302182093 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 3 Feb 93

[Text] On 3 February President Zhelyu Zhelev had a telephone conversation with Russian President Boris Yeltsin. The two presidents agreed that, albeit slowly, political contacts between Russia and Bulgaria are developing well. Boris Yeltsin promised Zhelyu Zhelev to receive Aleksandur Yordanov, National Assembly chairman, when he visits Moscow at the end of February.

Zhelyu Zhelev expressed the hope that, during the forthcoming visit to Russia of a Bulgarian governmental delegation led by Prime Minister Lyuben Berov, the necessary steps will be taken to overcome the difficulties in developing economic relations between the two countries.

During the conversation, attention was paid to the work of the joint commission on economic and scientific-technical cooperation, settling the issue of Russia's debt to Bulgaria, signing an agreement on avoiding double taxation, mutually protecting investments, and constructing a ferry line between Varna and Novorosiysk.

Presidents Yeltsin and Zhelev noted with satisfaction that economic relations are developing better at the regional level.

They also discussed international issues, including the war on the territory of former Yugoslavia. Opinions were exchanged on the two countries' positions.

Japanese Businessmen Meet Trade Officials

AU0202215093 Sofia BTA in English 1952 GMT 2 Feb 93

[Report by Marian Barutchieva]

[Text] Sofia, February 2 (BTA)—"Developments in Eastern Europe and particularly the situation in Bulgaria are of interest to all businessmen worldwide," said Mr. Akira Oka, head of the industrial and economic study mission to Europe, who arrived in Bulgaria last night at the invitation of the Bulgarian Trade Ministry. The visit is sponsored by the Japan Productivity Center.

"The Bulgarian economy is in a very bad condition, there are lots of problems to which, we hope, Bulgaria will find the most favourable solutions," Mr. Akira Oka said after he conferred with Deputy Prime Minister Valentin Karabashev.

According to Mr. Karabashev, there are three aspects on which the two countries could negotiate: On loans, as Japanese creditor banks play an important role in the London Club, on the opportunities for investment in the

process of privatization in Bulgaria, and on the promotion of bilateral trade relations. There are opportunities for what are known as trilateral operations in which Japan could provide the financing and Bulgaria could supply goods to the countries of the former Soviet Union. Negotiations to this effect are already underway.

The Japanese delegation, which includes representatives of the Fuji Bank, the Mitsubishi Bank, Toyo Engineering Co., the Industrial Bank of Japan, the Bank of Japan, the Japan Development Bank etc., today met with officials of Bulgarian financial and business institutions.

"The Japanese delegation was familiarized with the amount of Bulgaria's foreign debt and budget deficit along with the government's tax policy," Mr. Oka said after his talks with the Bulgarian Finance Minister, Mr. Stoyan Aleksandrov.

Following his talks with Mr. Mileti Mladenov, vice governor of the central National Bank of Bulgaria (BNB), Mr. Oka told BTA that, in his view, BNB was conducting a good-faith and rehabilitating monetary policy. The government's instability is the only problem at present, he added.

Deputy Industry Minister Racho Petrov stressed that he expected the Japanese businessmen to be more active in the work of Bulgarian and Japanese enterprises. There are fine opportunities for investments and for Japanese assistance in managerial personnel training. The Japanese businessmen have shown growing interest over the past six or seven months. Their presence in Bulgaria is a good sign of an increasingly active involvement of Japanese capital in the construction of new industrial facilities and the restructuring of the Bulgarian industry, Mr. Petrov added. This will naturally require funds, new markets and new products.

Bulgaria has so far studied opportunities to update the Kremikovtsi iron and steel works facilities in cooperation with the Kawasaki Steel. Discussions are underway on a number of projects for Japanese participation in the Bulgarian chemical industry and mechanical engineering, where contacts have already been established (FANUC was the first foreign participant in the manufacture of new CNC machine tools). Bulgaria seeks to attract Japanese capital to electronics and telecommunications, too.

The Japanese delegation was familiarized with the basic principles of privatization in Bulgaria, the effective legal framework concerning foreign investment and the ways to buy Bulgarian enterprises.

For their part, the Japanese guests expressed a readiness to render Bulgaria technical aid and send experts who could facilitate the implementation of marketing and banking reform, and participate in privatization through direct investments.

The Japanese delegation was also received by Prime Minister Lyuben Berov. Opinions were exchanged on the progress of the economic reform and on the need for and possibilities of foreign investments in Bulgaria.

The prime minister assured the Japanese guests that the government is making efforts to improve the economic situation. Mr. Berov said that its gradual improvement will become evident by mid- 1994.

Meet Zhelev, Berov

AU0302200893 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 3 Feb 93

[Text] On 3 February President Zhelyu Zhelev received a delegation of Japanese industrialists and bankers. He briefed them on economic reform in Bulgaria and stressed that the people support the reform.

World Bank Mission Discusses Loan Conditions

AU0302164893 Sofia BTA in English 1422 GMT 3 Feb 93

[Text] Sofia, February 3 (BTA)—An eight-member mission of the World Bank started talks here today with representatives of the Bulgarian Government on the conditions for granting a loan to implement a project for rising employment and improving social security.

The loan will be granted to Bulgaria after the mission acquaints itself with the situation and the plans of the Bulgarian authorities in this field and after coordinating the details of the project. According to experts of the Ministry of Labour and Social Affairs, it is early to talk about the size of the credit.

The mission, headed by Miss Louise Fox, project manager with the Human Resources Sector of the World Bank, first met with Mr. Evgeni Matinchev, deputy prime minister and minister of labour and social affairs. At the talks it was stressed that the purpose of the future credit is the development of the basis of a new social policy. The granting of the credit, which is to be used in rendering concrete technical aid, does not related to the political course of one cabinet or another but to the institutional development of the social sphere, employment organization and other general problems.

Later today the mission started talks with three expert groups at the Ministry of Labour and Social Affairs—on social insurance, social welfare and employment and professional training. The results of these talks will be summed up together with Deputy Prime Minister Evgeni Matinchev at the end of the visit of the mission to Bulgaria which will stay in Sofia till February 11. The schedule of the visit does not provide for meetings with the trade unions.

Opposition Role Seen as Good for SDS

AU0402092993 Sofia KONTINENT in Bulgarian 30-31 Jan 93 p 8

[Commentary by Emil Robev: "Welcome, Opposition!"]

[Text] On Friday, 29 January, the SDS [Union of Democratic Forces] made its debut as an opposition force in the parliamentary question time session. We cannot help feeling a sense of satisfaction. During the three years since its founding, the SDS coalition has clearly demonstrated that whether it is in opposition or in power, it feels most comfortable in the role of critic and accuser. If one is permitted to paraphrase the famous refrain of the unforgettable Beatles, we may say that all that democracy needs is an opposition. In our trouble-filled times, the existence of a strong opposition is more important than anything else. While it is in opposition, the SDS will have time to crystallize its ideological platform and may be able to transform itself from a left populist movement into the mass party of the right that Bulgaria needs so much because both the "turn to the left" and the "government of national responsibility and privatization" need a firm corrective shift toward the right.

Plans To Form New Parliamentary Group Outlined

AU0402103793 Sofia 24 CHASA in Bulgarian 28 Jan 93 p 9

[Interview with National Assembly deputy Asen Michkovski, deputy chairman of the Alternative Social Liberal Party, by Venelina Gocheva and Mariya Stoykova, in Sofia on 27 January: "The 'Iron-Hard Men' Will Want To Strip Me and Ludzhev of Our Parliamentary Immunity"]

[Excerpts] [24 CHASA] Mr. Michkovski, how many deputies are members of the new parliamentary group?

[Michkovski] At the moment, apart from Dimitur Ludzhev and myself, the group is being joined by Georgi Kostov, Gospodin Atanasov, Petur Markov, and Stefan Bozhilov, who have officially declared that they are leaving the parliamentary group of the SDS [Union of Democratic Forces] and intend to form a fourth parliamentary group in the 36th National Assembly.

[24 CHASA] Whom are you counting upon besides to gather the 20 members that are sufficient to form an independent group?

[Michkovski] We are just starting the procedure of forming the group, which is open to all National Assembly deputies who think pragmatically.

We are counting most of all on the members of the SDS group who voted for Professor Berov's government. It cannot be ruled out that members of the BSP [Bulgarian Socialist Party] may also join us, on condition, however, that they leave the BSP group.

[24 CHASA] Who are ready to leave the BSP group?

[Michkovski] It is difficult for me to say, but I think that people like Paparizov, Shopova, Georgi Nikolov, and others have a place in such a new group, judging from their actions during recent months.

[24 CHASA] You did not mention Chavdar Kyuranov and Aleksandur Tomov.

[Michkovski] I also include Chavdar Kyuranov in this possible group of BSP deputies who may join us. Regarding Tomov, I consider that he is unlikely to join at present. He has not proved by his actions that he wants to adopt an untraditional line of political action.

[24 CHASA] Who will lead the new parliamentary group?

[Michkovski] We will consider this problem when the group is formed, but I think that Dimitur Ludzhev has the best claim for this post.

[24 CHASA] What are the relations between the new group and the DPS [Rights and Freedoms Movement]?

[Michkovski] At the moment they are excellent, and I see no reason for this to change. [passage omitted]

[24 CHASA] Will you form a presidential party? Edvin Sugarev has distributed a letter within the SDS in which he claims that the ASP [Alternative Social Liberal Party], DPS, the extraparliamentary opposition, and formations that have left the BSP will help to form this new party.

[Michkovski] I do not want to comment on Sugarev's statements. This hostility is dictated by his state of health. I am perfectly serious in saying this, because I have heard that he is in a serious condition, and in such cases I cannot bring accusations against anyone.

However, regarding the general tenor of his views expressed in early periods, I believe that these were the fantasies of a sick mind, politically speaking. [passage omitted]

[24 CHASA] Not all the ASP deputies have left the SDS parliamentary group. What will Shotlekov do, for example?

[Michkovski] At the meeting of the SDS political council yesterday Iliyan Shotlekov voted against the point in our declaration regarding the formation of a new parliamentary group. He is entitled to do so, no one can force him to do otherwise, because this is in the spirit of the ASP. All the other ASP deputies, including the new National Assembly member Rumen Radushev, are joining our group. [passage omitted]

[24 CHASA] Georgi Markov said on television that the SDS now has a strategy of forcing new elections, but this is being kept secret for the moment.

[Michkovski] The end results of all the moves that *people like Savov* and company have taken recently have tended to work against them. However, the aims of this grouping can only be in one direction: to constantly provoke scandals and to destabilize parliamentary work. [passage omitted]

Prosecutor To Seek Order Restraining Lilov

AU0302171093 Sofia BTA in English 1645 GMT 3 Feb 93

[Text] Sofia, February 3 (BTA)—The law authorities will soon determine the restraint of Aleksandur Lilov, senior official of the Bulgarian Socialist Party [BSP] (the former Communists), Prosecutor General Ivan Tatarchev told a Radio Free Europe interviewer. The delay of the procedure was due to the absence of the chief magistrate investigating the case of granting by Bulgaria's communist government of secret aid to communist parties abroad.

At the request of the prosecutor general, parliament recently stripped Mr. Lilov of MP [member of parliament] immunity. The top BSP official is incriminated in the case of granting huge sums in aid to pro-communist regimes in the Third World. MP's, however, voted against putting Mr. Lilov under house arrest.

Mr. Lilov, who was a close aide of communist dictator Todor Zhivkov until he lost favour with the number-one man in 1983, told MP's he did not feel guilty. Current BSP leader Zhan Videnov said the prosecutor general was executing "a political order" by the Union of Democratic Forces (SDS), whose government recently lost office.

'Special Interest Groups' Said Favoring Disorder

AU0302120293 Sofia BTA in English 1916 GMT 2 Feb 93

[Text] Sofia, February 2 (BTA)—Ivan Kostov, M.P. [member of parliament], ex-minister of finance in the government of the Union of Democratic Forces (UDF), warns in an extensive interview published in today's OTECHESTVEN VESTNIK that certain groups possessing ill-gotten capital may gain the upper hand in this country. He has in mind "certain circles that do not conceal their ties with some politicians, structures and institutions." They have been brought together because they share interests in common: to launder their money and then become respectable businessmen, Mr. Kostov says.

He tells in detail about the methods by which one can quickly but illegally accumulate some start-up capital in Bulgaria: taking advantage of the defects of the banking system, tying up private with state-owned capital, tax evasion. According to Mr. Kostov, as privatization is about to be phased in, these groups are interested in the country's destabilization, high inflation rates, negative interest and a low exchange rate of the lev against the dollar. The intention of Prof. Lyuben Berov's cabinet to give a leeway to local capital will also be to their advantage.

The fall of a government of law and order, which would have prevented it, is to the interest of people who want this type of privatization and they have finally prevailed, Mr. Kostov says. In his opinion, very soon the individual groups will start quarreling with each other and will discredit themselves in the press waging a war with the same methods they used to oust Filip Dimitrov's cabinet—"discrediting materials, slander and other idiotic things."

I am afraid that Bulgaria can become another Medellin, I am afraid of the law-makers' irresponsible attitude, I am afraid of President Zhelev's irresponsible attitude to the problem, Ivan Kostov says. He says he has asked President Zhelev to put off the attack against Mr. Dimitrov's [as received] government giving it time to conclude an agreement on the country's foreign debt. In Mr. Kostov's opinion, six months more would have been enough for the UDF government laying at least the foundations for the stabilization of Bulgarian economy by adopting a package of tax bills, signing a new agreement with the International Monetary Fund and reaching an agreement with the World Bank on the finance and economy structural adjustment loan. However, this is something Mr. Kostov is inclined to blame himself for—in his capacity as minister of finance he failed to persuade the public and the institutions to give Mr. Dimitrov's cabinet some more time.

Ex-prime minister and UDF leader Filip Dimitrov often warned about the attempts of the "mafia" to govern the country "despite the state institutions," he gave the alarm even in parliament. However, some politicians who are not affiliated to the UDF, have been also voicing similar fears of late. Interviewed for OTECHESTVEN VESTNIK a few days ago, Aleksandur Tomov, M.P. for the Bulgarian Socialist Party and a member of the Radical Alliance for Social Democracy faction in it, said there were some "uncontrolled economic interests" which the major political forces cannot deal with at the moment. A week ago. finding himself under pressure to resign, Prof. Todor Vulchev, governor of the Bulgarian National Bank, told a special press conference that there were certain economic groupings, which he described as "special interest groups," that would like to have a weak government and a "tractable" governor of the central bank.

Czech-Slovak Payments Accord Effective 7 Feb

LD0302172093 Prague Radiozurnal Radio Network in Czech 1400 GMT 3 Feb 93

[Text] With effect from next Sunday [7 February], the payments agreement between the Czech and Slovak Republics will come into force. It will probably be based on a clearing system. The payments agreement the two republics will either be effected in the payer's national currency or directly in the chosen clearing currency, which will most likely be the European Currency Unit.

All payments contact has been suspended up to next Monday. This includes, for instance, cash payments transfers and securities trade by both physical and legal entities.

Agreement Approved

LD0402122593 Prague CTK in English 1200 GMT 4 Feb 93

[Text] Prague, Feb 4 (CTK)—An agreement on payments between the Czech and Slovak Republics was approved by the Czech Government at its extraordinary meeting today, Czech Premier Vaclav Klaus told journalists.

He said the agreement will be signed by both countries' Finance Ministers Ivan Kocarnik and Julius Toth also today.

The Czech parliament should initial the agreement at a special session. The Czech premier is going to ask chairman of the Czech parliament's Chamber of Deputies to convene the session on Friday [5 February].

The Slovak parliament will initiate the agreement on Sunday, February 7, Slovak Premier Vladimir Meciar said today.

Official Explains Prague Exchange Operation

AU0302201593 Prague HOSPODARSKE NOVINY in Czech 28 Jan 93 p 15

[Interview with Jiri Franc, secretary general of the Prague Securities Exchange, by Marcela Doleckova; place and date not given: "Prague Securities Exchange"]

[Text] The Prague Securities Exchange stockholding company [BCPP] was founded by a partnership agreement of 24 July 1992 that was signed by 12 financial institutions and five brokerage firms. It was entered in the Business Register on 24 November 1992. A special meeting of the shareholders on 30 November decided on the increase of the equity capital to 120 million korunas. The exchange's 40 members again include banks, investment, and brokerage firms.

The operational objective of the BCPP is to collect by means of authorized personnel at a certain place and set time offers to sell and bids to purchase securities, and through these people organize the trade in securities, the publication of the results of the trade and the price of the securities, and provide consultations and related expertise.

The highest body of the exchange is the general meeting of the shareholders. The exchange chamber is a statutory body of the exchange that supervises its operation and acts on its behalf. It has 16 members. The five-member supervisory board checks that all operations are conducted according to legal regulations. So far, the exchange chamber has established three exchange committees: The committee for issues of membership submits draft decisions regarding the exchange membership to the exchange chamber. It is the exchange chamber, however, that decides on admission of a new member.

The committee for listing securities issues permission for listing securities for trading on the exchange.

The committee for exchange trading assesses complaints and suggestions concerning the trade and settlement of the exchange operations.

The exchange chamber appoints a secretary general who has the power to execute decisions of the exchange chamber, manage the operation of the exchange, and the work of its apparatus. Jiri Franc was appointed secretary general of the exchange recently, and he granted us an interview.

[Doleckova] As the idea of the stock exchange was first contemplated, the formula 30-300-3,000 has often been mentioned. That was to indicate that approximately 30 different securities would be traded on the primary market, 300 on the secondary one, and 3,000 over the counter. Has this concept prevailed?

[Franc] I remember this magic formula, but it was abandoned. The committee for listing securities has submitted a proposal to the exchange chamber that during a certain initial period the exchange have only one official market. We have reached this decision as we assessed the development in the Czech Republic, and particularly the progress of the coupon privatization. The original idea was to trade listed securities on the primary and the secondary markets. Since it is more difficult to establish the financial standing of a company than originally expected, and it is even harder to estimate its future development, we arrived at the conclusion that dividing the securities would be premature and that we will establish a single official market. Only at a later date, as it will become apparent that we are able to assess the standing of a company, are we very likely to return to the idea of two markets.

[Doleckova] What do you call an initial period?

[Franc] It is the period preceding the stabilization of the economy that I estimate at two to three years.

[Doleckova] When will a decision be made regarding which papers can be traded on the official market? Will there be 1,000 or just 10 of them?

[Franc] I consider it premature to give a specific number. Of course, we are gradually contacting the stockholding companies, by which the high quality of securities can be expected. These companies must draft a prospectus that contains very many data, and the committee for listing securities will assess all the indicators, and propose, or refuse, that this security be listed. That certainly will not apply to hundreds of enterprises this year, but rather to five, 10, or perhaps to as many as 15. In any event, there will be tens and not hundreds of them. We are talking about a market that must be very stable.

[Doleckova] If 10 securities will be traded on the exchange, or more precisely on its official market, what about the hundreds of other securities? Will there be an over-the-counter market after all?

[Franc] We will also trade at the exchange with unlisted securities. That means mostly the securities established through the coupon privatization. The exchange will not guarantee the rating of these securities. Exactly the opposite, the exchange will check the quality of the listed securities because the issuer of the security—the stockholding company—must provide certain data in regular intervals, and this data is continually reassessed.

[Doleckova] It is no secret that the trading will be done by the system of daily fixing, and the prices cannot change by more than 10 percent in a day. What exactly is the procedure a small investor will have to follow?

[Franc] The exchange members are building a relatively large network of outlets, and the small investors can contact any of them. Two of our members, for instance, already have a network of 300 outlets. I do not mean the Bank of Commerce or a saving bank, but rather private companies. Hence, it can be expected that our members will cover the entire territory of the republic.

[Doleckova] These offer and bid collection centers may remind one of a mailman who takes an order to the market, delivers the result to the customer, and charges a certain sum for his service.

[Franc] I am convinced that at this time the role of a mediator is irreplaceable. It will be a person who knows best the market situation and the individual companies. Of course, he will for a fee provide information to a potential trading customer so he would not buy a pig in a poke.

[Doleckova] Nevertheless, many experts are of the opinion that in this country and at this time there is nobody capable of a serious assessment of any enterprise and its shares. They claim that the investment coupon holders are relatively best informed for they learned from the coupon privatization.

[Franc] I would not simplify the situation like that. There are many experts in this country, who follow this area, and who are able to use certain attributes to determine whether the enterprise prospers. Do not believe the people who tell you that the mediator is interested in trading at any cost. A certain standard is being established here, and if someone cheated an investment coupon holder, he would not see that customer again.

[Doleckova] Will the exchange deal only in the actual securities?

[Franc] We are ready to deal in both security certificates and the securities with no certificates issued provided that the former are immobilized in some way as to enable the same type of operation as with the latter; the entire transaction would take place in the computer.

[Doleckova] If an investor places an order to buy or sell, how long does it take before he learns whether and how it was filled?

[Franc] That will depend on the agreement between the investor and the individual agent. I would expect that the agent will be able to give some idea to the investor regarding the availability of the security in question, whether or not is his offer realistic, and I believe that this will lead to a certain deadline.

[Doleckova] What is your opinion regarding the other organizers of the securities market?

[Franc] I believe that there is enough work for everyone. That certainly applies to the RM [expansion unknown] system. I believe that a market of that type can play a certain important role above all in the initial period. At the same time, however, I believe that both foreign and domestic investors will prefer to trade by means of the securities exchange because, after all, the exchange is an institution that guarantees a certain quality of business.

[Doleckova] Nevertheless, the exchange guarantees to a certain degree the quality of the security only on the official market and, as you said, this market will not list more than 15 securities. Moreover, the RM system is not anything without a parallel in the world. Systems with a direct entry in the trading, without agents or brokers, exist elsewhere in the world.

[Franc] True, but these systems are exceptional and are of no real significance. Even the U.S. NASDAQ [National Association of Securities Dealers Automated Quotations], referred to by so many people, does not allow for a direct entry and must be entered exclusively through brokers.

[Doleckova] You mentioned that the companies you consider prosperous enough to have their securities listed were contacted. What was their reaction?

[Franc] It varied. Some—those, under new management—realize what it means for them to have their shares listed.

[Doleckova] Can you be specific regarding the companies in question?

[Franc] Do not ask me to give you names. I will not make them public at this time. We would be very glad if their number would be between five and 15—that would be a success. The important thing is that the securities of other companies be also traded by means of the exchange.

[Doleckova] What are the listing requirements?

[Franc] The exchange committee for listing securities prepared draft regulations for listing on the exchange that is to be submitted to the exchange chamber. The draft suggests that first the securities must be fully paid and tradable without any limitations, the equity of the customer will be assessed by means of the Commercial Code, the part of the volume of the issue offered to the public must be at least 20 percent of the total issue and amount to at least 100 million korunas, and the issuing company must be in business for a minimum of two years.

[Doleckova] The coupon privatization certainly did not provide any funds to get the capital market moving. At the same time, I heard estimates that at least $800 million would be needed to get the market going.

[Franc] That is actually a question of who will do the trading here. I believe that it will not be just the small investors, funds, and banks, but foreign investors, too. I have absolutely no doubts that foreign investors will come. We know that they are very interested in trading on the Prague exchange. They may spend some time just watching the developments, but since we count foreign banks and brokerage houses among our shareholders, foreign investors may play a very active role here.

Klaus Outlines Views on Central European Policy

AU0302191893 Prague CESKY DENIK in Czech 29 Jan 93 pp 1, 13

[Article by Prime Minister Vaclav Klaus: "Notes on Central European Policy"]

[Text] Doubts have been raised recently—first and foremost, by left-wing circles at home and abroad—about the Czech foreign policy concept. I have already spoken quite unequivocally on this subject, both in my New Year's address and several times at international meetings, but I would like to summarize my views here today.

The November 1989 revolution forced us to revise completely the former CSFR's fundamental political orientation. Our state returned—after decades—to the world and to the European arena as an independent entity. We were faced with the tasks of reconnecting our country to world and European supranational institutions, of seeking a new relationship with the superpowers, and of placing our relations with our immediate neighbors on a new footing. Unforeseen difficulties, which we have to resolve in harmony with the Czech lands' genuine long-term interests, have cropped up chiefly in these "neighborly" relations.

During the negotiations on the interstate treaty with Germany, it became apparent that the unsettled problems surviving from the past had been considerably underestimated. The reference to the expulsion of the German population from the Czech lands, which became a source of tension and even threatened the smooth ratification of the treaty on both sides, played a role here. For this reason, the treaty, as far as coming to terms with the past is concerned, is of less practical importance than we had originally ascribed to it and than we would like.

In the period immediately after November 1989, Czechoslovak foreign policy attempted to find a balance between relations with the West and relations with the Soviet Union. This was unsuccessful. These attempts caused disquiet among a considerable part of the population and were, fortunately, brought to an end—without any credit on our part—by the collapse of the Soviet Union.

The seemingly matter-of-course initiative within the so-called Visegrad Troika also turned out to be complicated. The collapse of the former CEMA meant that its member countries were, although fully exposed to the West, more or less enclosed with each other. For this reason, all the integrative processes in the East have very little practical significance, and the desire to implement them is especially lacking. The postcommunist countries' immediate interests force them into a tactic of "everyone for himself." The priority of all of them is European integration or, to be more precise, forging as close as possible economic and political ties with advanced West Europe. Very little scope, then, is left for Central European cooperation. The recent problems associated with creating a Visegrad Group free trade zone merely confirm this.

All of this is happening at a time when European integration is encountering certain obstacles and resistance west of the former iron curtain. The existence of a strong and dangerous enemy in the East undoubtedly provided powerful support for European integrative efforts in the past. Its unexpected downfall has brought certain changes of opinion and a certain soberness in West European circles.

All our ideas about Central European cooperation have to be formulated with an awareness of this overall European perspective. In spite of this—or, perhaps, because of it—it is clear that we will not get by without close cooperation with our immediate neighbors, to whom we are linked by historical ties that could not be completely severed even during the 50 years of communist rule. Incidentally, the first foreign visits undertaken by the new Czech Government representatives were not to Washington, London, Paris, and less likely, Moscow, but to Budapest, Poland, Frankfurt, Dresden, and Vienna.

Along the former border between West and East Europe stretch countries close to each other on account of their history and also on account of their current potential.

Apart from the Czech and Slovak Republics, these countries include Poland, Hungary, and, of the successor states to Yugoslavia—to say the least—Slovenia. It is impossible to exclude Austria from this specific region, although it is a special case, that is, a country that managed to avoid falling into the sphere of exclusive Soviet influence after the war. Our ideas about Central Europe and Central European policy, therefore, must be generated within these geographical confines. Moreover, they have to take into consideration the immediate influence of a large and powerful western neighbor that it is impossible to pass by on the road to Europe, a neighbor that by uniting with the former GDR, must also deal with some of the postcommunist problems.

CESKY DENIK recently published my views on the future of Europe. In them I expressed my skepticism regarding centralist, unitarian ideas about a united Europe without borders, and also my conviction that Europe was never based on the elimination of existing differences and that it did not seek an Archimedes point from which it is possible to move the continent and, perhaps, the world. Europe has its own import and strength in its variety. A meaningful European policy, and for us that is a Central European policy, is the reverse side of European integration. We cannot and we do not want to give it up. However, we must not attempt to establish it on sand.

President Havel Declares Amnesty for Criminals

LD0302183093 Prague CTK in English 1428 GMT 3 Feb 93

[Text] Prague, Feb 3 (CTK)—Czech President Vaclav Havel declared amnesty today, one day after his inauguration.

The amnesty applies to criminal offences ensuing from negligence for which jail terms do not exceed three years.

In cases of dodging military service after January 17, 1992, and those concerning pregnant women, single persons taking care for children under 15 years of age, men over 60 and women over 55, and disabled or seriously ill persons, the president expects the defence and justice ministers and the prosecutor general to submit proposals for a possible halt to criminal proceedings, pardoning, reducing, or commuting of sentence.

The amnesty declared by Vaclav Havel on his election as Czechoslovak president in December 1989, one month after the fall of the communist regime, was very extensive and caused serious problems, particularly to people released from prisons and having nowhere to go. This time the amnesty was expected to apply to a much narrower range of people.

The amnesty becomes valid on Wednesday, February 3, but will take effect on the day of publication in the Law Digest, Havel's Spokesman Ladislav Spacek told CTK Tuesday.

He added that the amnesty applies to criminal offences committed before the midnight of February 2.

According to statistical data given to CTK by General Director of the Prison Authority Zdenek Karabec, a total of 14,153 persons are in jails in the Czech Republic at present, 6,228 of them waiting for trials in detention and 7,925 serving jail terms. 4.8 per cent of all prisoners are under the age of 18, 4.1 per cent are women.

The amnesty applies to 129 persons, that is 0.9 per cent of the total number of prisoners in the Czech Republic. 32 of them are in detention and 97 are serving jail terms, Karabec said.

The persons currently held in detention include 337 foreigners, which accounts for five per cent. Most of them come from Poland, Romania and former Yugoslavia. Among persons serving jail terms are 81 foreigners, that is one per cent. Besides them, also 31 citizens of the Slovak Republic who were sentenced by Czech courts are serving jail terms in the Czech Republic at present.

The number of prisoners in the Czech Republic per 100,000 inhabitants is more than double that in the Scandinavian countries, the Netherlands and Italy, and 50 to 100 per cent higher than in Belgium, France, Germany, Austria, Spain and Switzerland, according to the data given to CTK by Karabec.

HZDS Presidium To Discuss Criticism of Meciar

AU0302142493 Prague CTK in English 2126 GMT 1 Feb 93

[Text] Bratislava, Feb 1 (CTK)—The Presidium of the Movement For a Democratic Slovakia (HZDS) will meet for an extraordinary session on Saturday, February 6, to deal with the situation created in the past few days concerning members of the HZDS leadership Milan Knazko and Rudolf Filkus, HZDS spokeswoman Ivana Salczerova told CTK today.

In the past week, Knazko, Slovak foreign minister and HZDS deputy chairman, and Filkus, former federal deputy premier and chairman of the HZDS council, have sharply criticized the HZDS political concept and its chairman, Slovak Premier Vladimir Meciar.

HZDS Deputy Frantisek Gaulieder told a press conference today that different views within the movement must not lead to any doubts about the HZDS stability, and they should not cast doubt on the basic aims and programme of the movement.

He added that continued membership of Knazko and Filkus in the HZDS should not be decided by a commission of arbitration. They themselves should reconsider remaining in their functions, Gaulieder said.

The HZDS presidium today set up a commission for talks with other parliamentary parties and movements on candidates for Slovak president.

Political Diplomatic Appointments Opposed

AU0402081393 Prague CESKY DENIK in Czech 29 Jan 93 p 2

[Report by "(mas)": "A Preference for Apolitical Ambassadors"]

[Text] Prague—If the political solution to appointing ambassadors were to become an addendum to a coalition agreement, then Czech Foreign Minister Josef Zieleniec would, in his own words, submit his resignation. The head of the Czech diplomatic corps was reacting to speculation regarding the political filling of diplomatic posts. He described the method of selecting the ambassador to Slovakia as an exception he is willing to accept in especially important cases. However, he does not intend to accede to the division of all embassies in accordance with a political agreement because he is responsible—as minister—for the diplomatic service.

* Prince Charles Establishes Prague Heritage Fund

* Visits Prague, Havel

93CH0255A Prague SVOBODNE SLOVO in Czech 22 Dec 92 p 1

[Article by (tom): "A Visit Shrouded in Secrecy—Heir to the British Throne in Prague"]

[Text] Yesterday afternoon, Prince Charles, heir to the British throne, arrived in Prague for a private two-day visit. From Ruzyn airport, the prince, who came from Great Britain without his wife, drove to Prague Castle. His arrival at the Prague airport was accompanied by strict security measures, and the British side did not even want any picture taking.

According to Michael Tatham, secretary at the British Embassy in Prague, the "visit was to be kept secret." The prince is scheduled to meet, among others, former Czechoslovak President Vaclav Havel, with whom he will plan the establishment of the Prague Heritage Fund, a foundation for the protection of Prague cultural and architectural landmarks, which is due to begin operation next year.

It is expected that, during his visit, the heir to the British throne will also participate in the planning of a documentary film about Prague landmarks, which will be made by the BBC, the British television company. The film will be broadcast in June 1993 all over the world, along with a concert of classical music that will take place at Prague Castle. The funds earned thereby will be used to finance the fund.

The current visit by the Prince of Wales is his first trip abroad after the 9 December 1992 announcement of his separation—though not divorce—from his wife, Diana. He and Diana had been in Czechoslovakia before, in May 1991, on an official visit at the invitation of CSFR President V. Havel.

* Sees Architectural Treasures

93CH0255B Prague LIDOVE NOVINY in Czech 24 Dec 92 p 3

[Article by (em): "Charles the 'Leftist'"]

[Text] The day before yesterday, during a two-and-a-half hour dinner with Vaclav Havel, Prince Charles inquired about the process of division of our Republic and about the election of the president of the Czech Republic. They also discussed current problems in the world and in Bosnia-Hercegovina.

Ladislav Spacek, the press secretary of the former Czechoslovak president, told LIDOVE NOVINY that it is evident that these two personages have in common their somewhat similar status on the political scene. Prince Charles's interest in fundamental global issues and his apprehension about the threat posed to the world by consumerism also makes certain circles suspicious about his "leftist" or "socialist" leaning.

Yesterday afternoon, the BBC shot scenes with Vaclav Havel and Prince Charles for a film about Prague's architecture. Together they visited some damaged landmarks. Mr. Havel discussed the significance of Prague as Europe's spiritual crossroads with the heir to the throne and the responsibility of the international community to save Prague's landmarks. The main topic of discussion at their dinner in a wine cellar in the Mala Strana district was Prince Charles's foundation, the Prague Heritage Fund, which has already been registered in London. Arrangements are under way to open its office in Prague (it probably will be located in the former presidential residence in the Royal Gardens of Prague Castle, which currently houses Vaclav Havel's Foundation for the Development of Prague Castle). The purpose of the foundation established by the heir to the throne is to collect funds to save Prague landmarks. The first project of the Prague Heritage Fund will be the restoration of the southern area of the Baroque gardens below Prague Castle. The objective of Charles's efforts is to return those gardens to public use.

Yesterday, Prince Charles, the heir to the British throne, visited the town of Cesky Krumlov, an important medieval urban center, listed since 13 December in UNESCO's Register of World Cultural and Natural Heritage. The prince's visit to Cesky Krumlov took place under strict security precautions and, as in Prague, the heir to the British throne avoided any official contacts.

No Agreement With Czech Republic on Gabcikovo

LD0302211193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 3 Feb 93

[Text] The agenda of yesterday's extraordinary session of the Slovak Government included, according to the words of its Prime Minister Vladimir Meciar, problems around the Gabcikovo-Nagymaros hydroelectric project. In an interview granted to the press agency of the Slovak Republic, he said in Bratislava today that the government assessed the current situation and proposed a strategy for future course of action. Vladimir Meciar further stated that the Czech Government has not to this day concluded an agreement with the Slovak Government about the hydroelectric project being the property of Slovakia and that in this case the Slovak republic is a legal successor to the former CSFR.

Czech Minister's Visit to Slovakia Reported

LD0402115993 Prague Radiozurnal Radio Network in Czech 1100 GMT 4 Feb 93

[Excerpts] Eva Hulkova reports on the first official visit by Czech Foreign Minister Josef Zieleniec to Slovakia:

[Passage omitted] Shortly after his arrival Minister Zielenec met Prie Minister Vladimir Meciar in the government building. At a news briefing given after their talks, correspondents were told that the visit was important, not only as a symbol, but also from the practical viewpoint because it makes it possible to exchange views on several issues; both those of bilateral character and those in connection with foreign political sphere where, according to Minister Zieleniec, similar or identical views exist in many respects.

Vladimir Meciar expressed his pleasure with the fact that the first official visit of Minister Zieleniec was to the Slovak Republic. He said that issues of mutual interests were discussed. He also conveyed his concern to Minister Zieleniec about measures in the custom checks sphere. He would not like the volume of mutual trade to be reduced because of the necessary registration and checks in the customs sphere.

Vladimir Meciar also expressed a wish to receive President Vaclav Havel as an official guest as soon as possible.

Finally, a list of the documents that are to be signed today: a protocol on cooperation between the Czech and Slovak Foreign Ministries, and an agreement between Czech and Slovak Ministries in the sphere of consular services.

Officers Assigned To Protect Currency Shipments

LD0302172193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 3 Feb 93

[Text] All police officers and soldiers who are to carry out tasks connected with the introduction of the Slovak currency are to be put on 100-percent alert as of 1700 GMT today. A joint staff has been formed at the National Bank of Slovakia and similar ones are operating at all district branches of the General Credit Bank. Police have been reinforced with Slovak Army soldiers. Streets will be guarded by joint patrols under the command of members of the Slovak Republic Police Corps. Every transported delivery of Slovak currency will be protected by a large armed escort. The press agency of the Slovak Republic has been given this information by Interior Ministry spokesman Peter Kuchar.

Payments Between Czech, Slovak Banks To Be Halted

LD0202214993 Prague CTK in English 2128 GMT 2 Feb 93

[Text] Bratislava, Feb 2 (CTK)—There will be no payments operations between the National Bank of Slovakia and other Slovak banks, and the Czech National Bank and other banks in the Czech Republic on February 3-7, according to a Slovak Government decree.

The decree, the contents of which CTK learnt from unofficial sources, says that physical persons in Slovakia may exchange Czechoslovak crowns for stamped notes on February 4-6, while legal persons and private business owners may do so February 6-7. Between February 8 and 22, physical persons may draw from their account cash up to 10,000 Slovak crowns (SK). This limit may be exceeded if technical conditions of a bank permit it.

Discussion With Czech Officials

LD0302222693 Prague CTK in English 2213 GMT 3 Feb 93

[Text] Bratislava/Prague Feb 3 (CTK)—The Slovak Government met in an emergency meeting in Bratislava tonight while the Czech and Slovak finance ministers, Ivan Kocarnik and Julius Toth respectively, are discussing a payments agreement.

Slovak Premier Vladimir Meciar told journalists: When we were concluding the original agreements on payments relations (between the Czech and Slovak Republics—ed.), we accepted certain principles, which the (Slovak) Government has approved. Today, the Czech Government met and approved another alternative.

Meciar said that Toth is bound by the Slovak Government's stand, while Kocacnik is bound by the Czech Government's stand. A new situation has arisen when several problems must be addressed, Meciar said.

After the Czech Government's meeting in Prague today, Czech Premier Vaclav Klaus told journalists that his cabinet offers several variants of which he informed Meciar in their telephone discussion today.

Klaus indicated that the Czech-Slovak agreement could be based on two clearing areas. One would cover outstanding debts and liabilities that will arise in relations between the two republics' companies after the currency split as of February 8. The other would cover the period

before that date, Klaus added. He pointed out that the main problem will be to set the conversion coefficient, or the rate between the two clearing areas.

Klaus said that if the payments agreement is agreed on today, the Czech Government will meet again in the morning on Thursday [4 February] to approve it and to submit it to the Czech parliament, which must ratify it. He stressed that the agreement must be signed before Monday, February 8.

The same view was expressed by Meciar in Bratislava tonight. If the agreement were not signed, trade between the Czech and Slovak Republics would be stopped. This would turn people against the governments, he added. He ruled out the 1:3 devaluation of the Slovak crown, to be introduced on February 8, against the Czech crown.

Meciar pointed out that even the worst pessimists predict the devaluation will not exceed 25 per cent. The real reply is: We are preparing no devaluation, he stressed. Meciar said that the two sides' figures on outstanding debts and liabilities diametrically differ.

Slovak experts have calculated that the Czech Republic should get 1.6 billion crowns (about 53,333 USD [U.S. dollars]) from Slovakia. But the Czechs have concluded that the figure is 10-15 times higher in one sector alone, Meciar said.

Government Blamed for Losing Gabcikovo Battle

AU0402093393 Bratislava NARODNA OBRODA in Slovak 2 Feb 93 p 3

[Olga Vavrova commentary: "Slovakia Is Silent....; The Truth About Gabcikovo-Nagymaros Will Not Assert Itself Automatically"]

[Excerpts] The half-empty river bed of the Danube, this great European river, between Cunovo and Palkovicovo following the diversion of a major part of Danube waters to the Gabcikovo feeding canal is of great evidential value in the indictment of Slovakia as the river's thief and violator of international law. It proves right those who accuse the authors and builders of that project of ecological barbarism. Hungary is summoning foreign journalists and diplomats to this section of the river for them to see with their own eyes.... [passage omitted]

Hence, the talks continue in London and Brussels with a minimal hope of ever arriving at some compromise. And even if some compromise were to be reached, it would have no validity for the Hungarian Republic because any compromise solution would run counter to the Hungarian Parliament's resolution (of April 1991) that talks may be held only on dismantling the Gabcikovo-Nagymaros hydroelectric power project. Has the Slovak Government forgotten about this obstructionist resolution or has it completely yielded to the Brussels spell of quiet diplomacy and relies on our truth in the Gabcikovo-Nagymaros issue being stronger and asserting itself automatically against the generally known activities of the Hungarian lobby in Western Europe, the U.S. Congress, and the U.S. Administration?

Last fall when the moment came for the most difficult decision on the fate of the hydroelectric power project, the Slovak Government incomprehensibly distanced itself from Gabcikovo and left the issue in the hands of the disintegrating federal administration, whose attitude was marked by Czech ill will. Only in this way was it possible for the absurd agreement of London to come about and for the talks in Brussels to take place, in which expert arguments were put out of the running by our adversaries' political diplomacy.

Now that Slovakia has acquired independence and the status of a subject under international law, Gabcikovo is, incomprehensibly, becoming an even more abandoned problem than it had been while in federal hands. We are going, and will keep going, to Brussels to haggle about the temporary regime on the Danube River under clear pressure from Budapest and its allies, unfortunately also in the EC, the aim of the pressure being to leave the feeding canal and the turbines in Gabcikovo without water. So far the Slovak Government has not managed to issue a single diplomatic note, a procedure common between sovereign states, to draw the Hungarian Republic's attention to its duty to carry out the necessary adjustments in the old river bed to overcome the present bad ecological situation, for which Hungary is co-responsible. The EC is asking us and the Hungarians to show restraint, among other things. The Slovak minister of foreign affairs has indeed sent a directive to all representatives involved in the Gabcikovo issue, telling them to show moderation in their statements. However, this "toning down" apparently is not recognized by [Hungarian Foreign Minister] Geza Jeszenszky, who is making statements on the project all the time and everywhere, last time in Israel, for example. [passage omitted]

Gradually, Gabcikovo-Nagymaros is somehow extending to the department of the Slovak Ministry of Foreign Affairs. One can feel that the bewildered and not very constructive atmosphere surrounding the problem of Gabcikovo is also a product of the relationship between the Foreign Ministry and the government or, more precisely, between their leading representatives. Whatever the case, it should not happen that a Slovak Ministry of Foreign Affairs staffer becomes head of delegation to the Brussels talks who went to the last (once again fruitless) round of the Brussels talks almost directly from New York, where he had been working for several years, and who familiarized himself with the problem of Gabcikovo-Nagymaros while being driven to the Belgian capital.

Incidentally, while our delegation members plod along by car because airline tickets are expensive, the Hungarian delegation, headed by a state secretary, arrives at home a day earlier, hands out information, and interprets in its own way why Slovakia is silent....

Knazko Rejects Criticism of Political Conduct

AU0402110393 Bratislava NARODNA OBRODA in Slovak 2 Feb 93 p 2

[Report by Zuzana Pemova: "Knazko: I Have a Clear Conscience"]

[Text] Kosice—Milan Knazko, Slovak foreign minister and Movement for a Democratic Slovakia [HZDS] deputy chairman, began his brief visit to Kosice yesterday by holding a news conference. The main reason for his visit was his participation in an assembly involving members of the HZDS III Kosice-City District Organization. The journalists' questions focused mainly on the political turmoil within the HZDS, especially on Saturday's [30 January] meeting of HZDS district representatives in Trnava that expressed support for Vladimir Meciar and condemned the political statements and activity of Milan Knazko. "It is not clear to me what they support and what they reject. I think such a point of view should be clear-cut and should specify what they condemn regarding my political statements. I have no information on the course of this meeting, on how many districts participated in it, and on to what extent the legitimacy of the individual district representatives had been authorized. If they look at my recent political statements, they will see that I made public my views on the election of the president several months prior to the actual election. I also have to reject the false claim that I persuaded deputies not to vote for Mr. Roman Kovac. I merely appealed to their conviction and conscience, and these two attributes cannot be at variance with any political resolution of a democratic party or movement. As far as the Arbitration Commission is concerned, I am prepared to give matter-of-fact answers to all the questions that could be associated with the different views held by Prime Minister Meciar and myself both in the sphere of political work and in the sphere of coordinating two state administration bodies such as the Government Office and the Foreign Ministry. I did not know about the meeting in Trnava and I did not participate in it. As far as Prime Minister Meciar's foreign activity is concerned, the government has approved a document that refers to maintaining state discipline in the protocol sphere and observing certain principles in foreign policy orientation. Slovakia cannot afford to have more than one foreign policy. It is necessary to respect government resolutions and govern ourselves in accordance with the rules agreed upon. According to the resolution, ministers—including the Government Office—are obliged to disclose the dates of and reasons for foreign visits at the highest level."

In response to a question on how long he thinks he will remain a minister following the flare-up of his dispute with the prime minister, the rebellious minister—visiting a somewhat rebellious city—said: "The criterion for assessing a minister is not connected with his obedience, but with the results of his work and the fulfillment of the government's policy statement. As far as Mr. Filkus is concerned, I do not think we have so many good economists that we can afford to squander them. I am prepared to meet the political board and discuss one point with it that will, obviously, concern me, that is, the interview or subject for the work of the Arbitration Commission, which should determine to what extent my political points of view are at variance with the movement's resolutions."

The minister's visit to Moscow scheduled for the beginning of this month—which he should undertake with Vladimir Meciar—has been postponed due to the serious domestic political situation. "Currency separation is a sufficiently serious reason. We are trying to postpone this visit for a few months," said Milan Knazko.

* * *

In connection with the election of Roman Bauer as mayor of Kosice, yesterday's Radiozurnal program quoted Knazko as saying that if the people elected him, he has no right to cast doubts on his ability and that he wants to cooperate with him as mayor of Kosice.

* Slovak Hungarians View Budapest Satellite T.V.

* Antall, Goncz Greetings

93CH0306A Bratislava SZABAD UJSAG in Hungarian 29 Dec 92 pp 1, 3

[Article by Otto Farkas: "Duna Television: Programs Broadcast From the Sky"]

[Excerpts] As we reported in an earlier issue of this newspaper, the Hungarian Television has begun its experimental satellite broadcasts called Antenna Hungaria in early November. Between the various programs announcers appeared for the first time on 24 December, on Holy Night, and from that day on the station has operated under the name Duna [Danube] Television.

Since the programs can be received well not only in Hungary, but virtually throughout all of Europe, Hungarian President of the Republic Arpad Goncz and Prime Minister Jozsef Antall addressed Hungarians as well as all nations of Europe through television.

"We hope that not only Hungarians in Hungary and beyond our borders will view these programs, but also Romanians, Slovenes, Croats, Slovaks, Austrians, and Ukrainians, and I am confident that getting acquainted will mean friendship from the outset. We come to like people with whom we become acquainted, but to really know people one has to accept their true identity. With all my heart I hope that this television will speak to Hungarians and others who do not speak Hungarian, in candid, clear terms. I hope that it will faithfully show our everydays, including both the bright and darker sides of our lives, and that it will bring to our viewers' homes the values of our past, our future hopes, and the creations of our culture. This is the responsibility of program editors. We hope that with the passage of time this television will address the viewers not only in Hungarian, and that

there will be an opportunity for our programs to faithfully reflect the reality of neighboring countries in Hungary. We trust that the future Europe will dissolve the borders, and until that happens, it is our intent that this television reaches out a hand above the borders that still exist today. Central and East Europe is struggling not only with its past, but also with its future. In this region we must jointly conquer the future. Individually, each country is too week to do so. Central and East Europe is a mosaic of peoples. All nations have fragments residing within the borders of other nations, and all nations are in the majority within their own borders, and have their own minorities. To coexist is a command for all of us, we must find a way to get acquainted with each other, and to dissolve centuries old and recent spiteful suspicions and prejudices," Arpad Goncz said. [passage omitted]

"My respected compatriots, Hungarians throughout the wide world," Jozsef Antall began his speech, then continued as follows. "Greetings to everyone who live within the borders of this country, and those who live outside our borders: In Transylvania, in the Lower Carpathians, the Highlands, the Castle Area or in the Vojvodina and Croatia, and in all areas where Hungarians live along our borders or beyond in the whole of Europe, I am calling everyone able to receive this broadcast. In the planning stages of Duna Television we felt that all Hungarians needed a broadcast which relied on our common language and common culture and provided a sense of belonging together and opportunities for the manifestation of solidarity. But we want to go beyond our original plan, and want our neighbors to hear our voice in other languages, and to generate confidence in our neighbors.

"After this broadcast we want everyone, from North to South and from East to West, in all places where this broadcast is watched, to be imbued by a sense of brotherhood and mutual confidence. This also means that in addition to the ideal of being Hungarian, the European ideal also provides a meaning to this television. We chose the name Duna, because this river runs through a significant part of Europe, and is linked with European waterways and the seas. Thus, the name of this river also symbolizes friendship with our neighbors, and just like the river of Europe, it may also connect us." He concluded his speech with the following wish: "... I wish the Hungarian people, and all our friends who feel like we do, not only a merry Christmas, but also a prosperous and more peaceful new year."

* 'Impartial' Reporting

93CH0306B Bratislava SZABAD UJSAG in Hungarian 13 Jan 93 p 2

[Unattributed article: "The Impartial Duna TV"]

[Text] Duna Television presently transmits four hours of experimental broadcasts and is meant to address primarily Hungarians beyond Hungary's borders and to have the Hungarian people as its subject matter. In this sense Duna Television fills a gap and performs a cultural mission. This alone is no small task, yet Duna Television goes further; since it can also be used to convey information on the economy and trade, it is also intended to provide up-to-date information in these fields. To top the long list of goals, Duna Television is intended to project an image of the nation while remaining impartial. It is difficult to tell in advance to what extent Duna Television is going to be successful in this regard. In any event, the objectivity of information is guaranteed by the technique use. Possible errors and falsehoods can be easily detected in a broadcast that can be received in Israel just as in Majorca or in the Scandinavian states, but to a lesser extent in neighboring countries where cable television has not been introduced on a large enough scale. In any event, the future belongs to cable television, professionals claim, and thus the program of Duna Television is expected to be viewed by a rather large number of people. This station will also broadcast programs for nationalities, thus intensifying their relations with the homeland: Some broadcasts aimed at Slovak audiences in Hungary will be recorded in Slovakia, while others targeting Slovenian and Romanian audiences will be recorded in Slovenia and Romania respectively, etc., and the footage thus obtained will be edited at Rona Street in Budapest.

Duna Television has 10 full-time employees for now; it will start operations in March. Until then they are paving the path by broadcasting "canned" programs, by showing the best of Hungarian movies that had become famous.

Duna Television, established by the Hungaria Foundation, broadcasts through the No. 33 transponder of the Eutelsat II F-3 satellite, on the 1.1596 megaherz wavelength.

Jeszenszky, Others Debate Foreign Policy

AU0302142293 Budapest NEPSZABADSAG in Hungarian 1 Feb 93 pp 1, 3

[Jozsef Ballai report on a television debate on foreign policy, including interview with Foreign Minister Geza Jeszenszky, in Kecskemet; date not given: "Agreement on Basic Principles—Questions of Vital Importance: Debate on Hungarian Foreign Policy"]

[Text] There is agreement between the government and the largest opposition party regarding the basic principles of our foreign policy, but this does not mean that the Alliance of Free Democrats [SZDSZ] always agrees on everything regarding the concrete steps—Foreign Minister Geza Jeszenszky and Foreign Affairs Committee Secretary Istvan Szent-Ivanyi pointed out during the taping of the television program "Questions of Vital Importance" to be aired today [1 February].

The Hungarian Democratic Forum [MDF] came up with a clearly organized audience, but the open debate between the two politicians went smoothly.

Szent-Ivanyi maintained his opinion that the Kalashnikov affair, which concluded in Parliament according to the rules of fair play, could have been harmful for the Hungarians living in Serbia. According to Jeszenszky, the opposition was taken in by Belgrade propaganda saying that the Hungarian Government supplied arms to Croatia, while other countries exported much larger quantities of weapons to Zagrab. Both politicians said that Hungarian policy was balanced.

Answering a question referring to [Hungarian Socialist Party Chairman] Gyula Horn's recent proposal for cooperation among Austria, Hungary, Slovakia, and Slovenia, Jeszenszky said: "Should we replace Visegrad with some kind of a restored Habsburg monarchy led by Otto Habsburg from Vienna?" Szent-Ivanyi also thought that there were already enough cooperation structures, which should now be given meaningful responsibility. According to Jeszenszky, the UN Charter would represent a guarantee for Hungary in case of foreign aggression, and "it would be the definite responsibility of the UN to help in such a case." Istvan Szent-Ivanyi added that we should begin from the premise that no one was threatening Hungary's right to exist. In connection with the Hungarian-Romanian basic agreement, the SZDSZ holds that the countries should declare that they have no territorial designs on each other. This would mean something beyond and different from the unilateral declaration made by Budapest, because this would suggest that there were Hungarian demands in the past. Istvan Szent-Ivanyi pointed out that "Hungary would indeed find itself in big trouble if Romanian President Ion Iliescu handed over Transylvania. In response, Jeszenszky said out that such debates should be carried out in the Foreign Affairs Committee.

After the open debate, we had the opportunity to interview Jeszenszky.

[Ballai] Has the issue of the Hungarian-Romanian basic treaty advanced now in the wake of the expert talks held last week?

[Jeszenszky] Of course. I find it important that, at long last, the Romanian side is expressing its readiness to negotiate. At the same time, this treaty is only one element of our relations; the goal of this meeting was to hold foreign policy consultations, but it went well beyond the discussion of the basic treaty currently under preparation. The main thing is that, precisely during these talks, Foreign Minister Melescanu met with the new chairman of the Democratic Union of Hungarians in Romania [RMDSZ]. We appreciate this very much, and we will really appreciate it when the Romania side implements the RMDSZ proposals as soon as possible, proposals that are both realistic and possible to fulfill. This will give a greater impetus to the treaty than yet another round of talks.

[Ballai] Would Hungary assist in the air blockade over Bosnia if the UN Security Council came to such a decision?

[Jeszenszky] We will consider our actions when the issue actually comes on the agenda, because only then will we be able to see what this means for us and whether it means anything different from the current situation.

[Ballai] Do we have to worry because of the delay in the ratification in Moscow of the Hungarian-Russian basic treaty?

[Jeszenszky] I would not exaggerate this situation at all. We greatly appreciate the fact that President Yeltsin was open to the Hungarian proposal to include condemnation of the 1956 intervention into the basic treaty. Obviously, there are Russian forces that are either refraining from condemning this intervention, or they think that today's Russia has nothing to do with the former Soviet Union. In fact, President Yeltsin's visit to Hungary and his words spoken here are worth as much as a treaty. I am not saying that we do not need a treaty, but I really consider the practical cooperation between the two countries to be as important .

Changing Stance on Gabcikovo Dispute Reported

PM0302150093 Paris LE MONDE in French 2 Feb 93 p 5

[Report by Yves-Michel Riols: "Budapest's Position on Gabcikovo Dam Has Changed"]

[Text] Budapest—Faced with the deadlock on the thorny Hungarian-Slovak dispute on the double hydroelectric dam of Gabcikovo-Nagymaros on the Danube, the Budapest leaders have started to make a considerable change in their position.

Last May, Hungary condemned the 1977 treaty for the construction of this power station, stating among other things that its implementation would lead to serious

ecological damage. "It is a pity that we did not believe our own eyes," Gyula Kodolanyi, the prime minister's adviser for foreign affairs, now tells us. "We thought that the Czechoslovaks were going to suspend their work when we condemned the treaty. When they diverted the waters of the Danube (on 24 October last year to supply Gabcikovo—LE MONDE editor's note) we were taken by surprise. And we are now faced with a fait accompli."

Mr. Kodolanyi, a former member of the Danube Circle, a movement of dissidents which launched the mobilization against this power station under the communist regime, told daily NEPSZABADSAG last week that "this situation is not static, it is moving toward a compromise." This was also one of the first times that a government official publicly stated that he regretted that "the government's hands are tied" by a parliamentary resolution which limits the mandate of the Hungarian negotiators to condemnation of the 1977 treaty.

The Hungarian authorities make no secret of their bitterness toward the former Czechoslovak federal government and President Vaclav Havel, who they accuse of having bowed to Slovak pressures. "After the change of regime, we thought it was impossible for President Havel to support this project," Mr. Kodolanyi stressed.

These admissions of failure seem to indicate that Hungary has now resigned itself to seeking a compromise which would enable it to save face, especially since the negotiations with Slovakia are marking time. Another sign of this change is that the recent tripartite meeting among Budapest, Bratislava, and the EC last week seems to have made progress on the crucial question of the volume of water which should return to the Danube's original bed. The talks are due to be continued in early February.

Official Comments on Central European Initiative

AU0402104993 Budapest NEPSZABADSAG in Hungarian 1 Feb 93 p 7

[Interview with Deputy Foreign Ministry State Secretary Ivan Baba by Tibor Kis; place and date not given: "Central Europe: Political Cooperation"]

[Excerpts] [Passage omitted] [Kis] We knew about the predecessors of the Central European Initiative [CEI]—the Pentagonal and the Hexagonal—that they have basically economic goals. However, it is much more difficult to determine the nature of the CEI. Indeed, what is the CEI today?

[Baba] The CEI is a form of cooperation currently under transformation; changes are taking place in both the number of participants and the profile and content of this cooperation. A real Central European framework gradually emerged with the advance of these internal processes. At the same time, this initiative started toward a more open and pragmatic economic cooperation. There are 13 working groups currently operating in the CEI, and we have more than 100 work programs, from telecommunications to tourism, small and medium-sized ventures, and environmental protection. For example, we are cooperating in highway and railroad construction, and all this is now increasingly connected with political factors. [passage omitted]

[Kis] A demand has emerged according to which the neighbors of the former Yugoslavia should put their airports at the disposal of international actions, and thus contribute to the implementation of the flight ban. How would the CEI countries react to such an official request?

[Baba] The CEI countries have different situations, so their answers would also be different. Italy is a NATO country and it will obviously fulfill its relevant obligation. Croatia and Bosnia are directly involved in a war. The situation of Hungary and Austria is similar. In these countries, the relevant political and defense circles must decide, obviously on the basis of adequate parliamentary approval. At the moment, we cannot predict more than that.

[Kis] There are other forms of regional cooperation in this area. To what extent can the CEI be regarded as their rival?

[Baba] The CEI is not their rival. Central Europe is currently living through a transitional period, which will probably last for years. Taking all this into consideration, I regard everything that is happening here to discover the possibilities of cooperation as a natural process. [passage omitted]

[Kis] Are we now giving any priority to a form of cooperation in this region?

[Baba] Naturally, there are functional priorities because various cooperation frameworks can be applied in various ways to individual issues. For example, the EC deals with the Visegrad group as a group of countries both politically and economically, and it is also ready to communicate with them in this way. Therefore, it would be a pity to give up this form of cooperation. On the other hand, the CEI means something else, a dimension that could contribute to facilitating the flow of capital and encouraging the regional and subregional cooperation. One of the goals of the participating countries is to develop more intensive cooperation with the countries neighboring this initiative, including Ukraine and Romania. Hopefully, there will be conditions in Serbia again that will also allow this cooperation. [passage omitted]

[Kis] Now that Hungary is the next chairman of the CEI, what do we intend to do with this position?

[Baba] Decisionmaking is taking place on the basis of a consensus; the chairman can only set a goal that the member states accept. It is already certain that we will host three large-scale political events: two foreign ministerial meetings and a prime ministerial summit. In addition, there will also be various coordination meetings. We also received a mandate last year to organize a

conference on national minority and ethnic problems in the Central European region under the auspices of the CEI. [passage omitted]

Slovakia Seeks To Develop Further Ties

LD0302154093 Budapest MTI in English 1408 GMT 3 Feb 93

[Text] Budapest, February 3 (MTI)—"Always a pleasure to see friends, and I have always considered my Hungarian colleagues friends," said Slovak Foreign Affairs State Secretary Jan Lisuch after Wednesday [3 February] talks with Hungarian counterpart Janos Martonyi. Lisuch's one-day visit to Hungary was to establish ties.

Lisuch and Hungarian partners discussed international problems, Hungarian-Slovak links, and regional issues.

Further developing relations with Hungary is a priority for Bratislava, Lisuch told the press, confirming he would head the Slovak delegation at the next round of trilateral talks in Brussels on the Gabcikovo power plant.

Martonyi said he and Lisuch had discussed minority affairs as well and agreed a joint minority affairs committee would hold its first session soon.

During the visit, Lisuch also met Hungarian Foreign Minister Geza Jeszenszky.

Iranian Industries Minister Continues Visit

LD0302195293 Tehran IRNA in English 1838 GMT 3 Feb 93

[Text] Vienna, Feb. 3, IRNA—Iranian Minister of Industries, Mohammad Nezhad-Hoseynian, who started an official visit to Hungary Monday [1 February], held talks with the Hungarian Minister for Industry and Trade, Ivan Szabo in Budapest Tuesday.

Nezhad-Hoseynian, while pointing out Iran's new policies on industry, expressed willingness for cooperation between the two countries on industrial and technological fields.

Szabo, who in return refered to Hungary's economic changes and the new circumstances created by the privatization of industrial and trade units, hoped for close cooperation with Iran on industrial and technical fields based on previous Iran-Hungarian relationship.

Pointing to the importance of relations and Iran's role in the area, he asked for closer cooperation in Central Asia and the Caucasus.

Nezhad-Hoseynian also held talks with Economy and Foreign Relations Minister, Bela Kadar and with representatives of Hungarian industry. He explained Iran's policies on industry and answered questions from parties interested in cooperation with his country.

In a separate interview with Hungarian radio and television, Nezhad-Hoseynian said the fields of cooperation between the two nations are wide ranging.

The volume of trade between Iran and Hungary was about dlrs. 350 million in 1992.

Next week Iran is to hold an exhibition of non-oil products in Budapest. The Iranian foreign minister is also scheduled to visit Hungary in the near future.

IMF Satisfied With Government's Debt Management

LD0402132793 Budapest MTI in English 1250 GMT 4 Feb 93

[Text] Budapest, February 4 (MTI)—IMF negotiators are satisfied with Hungary's foreign debt management, Frigyes Harshegyi, vice-president of the National Bank of Hungary [NBH], said following the recent meeting between NBH officials and an IMF delegation currently visiting Hungary.

The NBH last year issued USD [U.S. dollars] 1.5bn [billion] worth of bonds on the international capital market. NBH bonds have proved attractive to investors and Hungary's debt service commitment, around USD 2bn annually, can thus be largely covered by bond issues, Harshegyi said.

Hungary's debt repayments will peak in 1996, when its debt service commitment will be USD 3.5bn, but if the current trends continue this should present no problem, Harshegyi stressed. He pointed out that the value of Hungary's exports exceeded USD 10bn last year with another USD 2.5bn coming from tourism and services. Direct foreign investment in 1992 was USD 1.47bn, USD 20m [million] more than in the previous year.

Hungarian companies took out loans totalling USD 700m from foreign banks last year.

The total foreign exchange inflow was thus USD 15bn, compared to Hungary's GDP of USD 40bn, which has fallen as a result of the recession.

IMF officials supported the NBH in continuing its foreign exchange policy and the Central Bank's plan to develop the domestic forex [foreign exchange] market, Harshegyi added.

Horn Views Foreign Policy Tasks, Prospects

AU0402085393 Budapest KOZTARSASAG in Hungarian 29 Jan 93 pp 48-54

[Interview with Hungarian Socialist Party chairman Gyula Horn by Gabor Szego and Tibor Thurzo; place and date not given: "The Government of Wasted Opportunities"]

[Excerpts] [Passage omitted] [KOZTARSASAG] Is it still valid to say that foreign policy is this government's "success story?"

[Horn] I doubt very much that this can be said any more. First, I sensed a rather weak activity on the part of the government in connection with the neighboring countries. Second, I repeatedly objected to the fact that some government members and people close to the government readily made various statements in connection with the neighbors, statements that can be misinterpreted, like the Trianon issue, revision of the borders or no revision of the borders, the representation of 15 million Hungarians, and other issues. It is also clear that some of the neighbors were quite ready to misinterpret these statements, because these statements served as a basis of reference for them. However, the type of relations with our neighbors is a basic and decisive issue for Hungary.

I agree with those who say that Hungary is different from any other country in this region. Hungary differs in the fact that close to 4.5 million Hungarians are living beyond our borders. Halting the nationalist phenomena in our neighborhood and making sure that the national minorities, including the Hungarian national minorities, are not the major targets and victims of these nationalist efforts is practically an unsolvable problem. We must bring up the issue of legal violations committed against the national minorities in a very austere way at various international forums. It is true that if we bring up this issue, this will automatically strengthen the confrontational elements in our bilateral relations. This is an unsolvable conflict, one that has not yet been solved by anyone, including our government....

[KOZTARSASAG] However, has this issue—namely the representation of the Hungarian national minority and the protection of their interests—overgrown in its proportion? Are we perhaps harming these national minorities with our often too energetic statements?

[Horn] I would approach this problem differently. We cannot deal with the issue of Hungarians living abroad enough, and no energy in this endeavor is useless. The problem here lies in the method and style of activity, rather than the amount and extent of this activity. I have already mentioned the nationalist statements.

The thing I am missing is that we should initiate new solutions to match the new situations, but the government does not do this.

For example, the basic treaties with our neighbors are on the agenda today. As I proposed earlier, we should definitely include elements in these basic treaties that would provide long-term guarantees regarding the fact that if they guarantee the rights of Hungarians living beyond our borders, we will refrain from dealing with border revisions and territorial issues on a long term basis, and we will mutually respect each other's borders and territorial sovereignty. Not only now, but also in the future—and the stress is on the future.

In connection with this, we had a rather unfortunate experience with Ukraine. The draft treaty with Ukraine stipulates that the two sides will renounce the modification of the borders or their territorial demands forever. This is an unfortunate formulation because we should not use expressions connected with eternity; rather, we should use expressions connected to the future. In addition, all this should be connected to adequate conditions, namely the demand to maximally guarantee the rights of national minorities living in Ukraine.

However, this is a logical somersault because while Hungary wants to sign this with Ukraine, the same formulation does not appear in the Hungarian-Romanian basic treaty, although we should do this with every neighbor, including Austria, because there are also Hungarians living there. Or we should not do this with either of them, if this is our political philosophy. It is not by accident that the Romanians are mentioning this contradiction: If Hungary wants to sign such a treaty with Ukraine, why not also with Romania?

The other dilemma is that it is not easy to make the Hungarians beyond our borders understand this either. Another thing is that we already have a movement in Hungary—albeit not a very big one—that demands the revision of Trianon. Such nationalist statements only encourage these people, and every such demand could lead to a tragedy or isolation for Hungary. There is no foreign partner that would support us in such endeavors. [passage omitted]

[KOZTARSASAG] You were the one who first seriously brought up the revision of our relations with NATO and its consequences. How do you evaluate Hungary's security today? Speaking about isolation and its dangers, if we look at the final result, the current situation is that our bilateral relations have deteriorated with three of our most important neighbors—Slovakia, Romania, and Serbia—compared with the situation prevailing at the time when the former government stepped down.

[Horn] One of the particularities of Hungary is that its five neighbors turned into seven neighbors in the past three and a half years and, out of these seven neighbors, we indeed have serious tensions with three neighbors: Slovakia, Serbia, and Romania. We also had a role in this; however, Budapest cannot be blamed for most of these tensions.

[KOZTARSASAG] What should be the endeavor of the Hungarian Government in such a situation and what should the security policy situation be that we would like to target? All this in view of the fact that, based on the reactions from Brussels, our NATO membership is "not topical" nowadays.

[Horn] It bothers me very much that NATO keeps changing its opinion almost on a weekly basis. First we hear encouragement, namely that NATO will deal with Hungary and other Central-European countries in a special way and that NATO recognized the fact that a security policy vacuum has emerged here, and so on, then according to a statement made a week later, it is out of the question for NATO to take any steps here. After all

this, I do not know to what extent we should take NATO's goals seriously, namely its endeavor to guarantee the security of Europe in all-European terms. I understand that they do not want to pick up a single state in the region and create a special agreement or even membership relations with it. I understand this, but I cannot accept this from our viewpoint because Hungary is in a special situation, or if you like, in a specially vulnerable situation in this region, and NATO should also take this into consideration.

Therefore, I would require NATO to find adequate and special security guarantees for Hungary. This does not mean that NATO would turn Hungary against its neighbors; on the contrary. There is the CSCE and its forums. However, we know very well that these bodies are ineffective (see the civil war in Yugoslavia) and they are unable to solve these crises. The Western European Union also does not have the adequate means of dealing with this. The United Nations is struggling, but I do not know of any case where the United Nations succeeded in defending any country whose security was in danger. I do not know of any such example. [passage omitted]

[KOZTARSASAG] In conclusion, a view of the world at large. Is there the danger that the Clinton administration will be "more introvert" and the change in generation and style in the United States will lead to a genuine change in Washington's policy?

[Horn] In my view, the Clinton administration will not follow a different foreign policy from that of the previous administration. This administration will also basically start from U.S. interests. I think that the hopes for an expected radical change are exaggerated hopes. I expect changes in the following: The Bush administration promised a lot and fulfilled very little; the Clinton administration will probably promise less, but they will take these promises seriously. These weeks, and I repeat weeks and not months, will tell what kind of policy and what activity the new administration wants to conduct here in our region. It is in the interest of both the United States and Europe to change their policy regarding Central-Eastern Europe. Distance and passivity have characterized this policy so far and, if this continues, a situation might emerge in the backyard of Europe that could destabilize the whole of Europe. Such a destabilized region, with its large military arsenal and all the potentials for an ecological catastrophe, could threaten not only this region but the entire world. If they are unable to realize this, in my opinion, they will commit a terrible mistake and even sin in the eyes of posterity.

Opposition Leaders View Political Dangers

AU0402100293 Budapest NEPSZABADSAG in Hungarian 30 Jan 93 p 19

[Interview with Gyula Horn, chairman of the Hungarian Socialist Party, and Viktor Orban, faction leader of the Federation of Young Democrats, by Lajos Pogonyi; place and date not given: "There Is a Stalemate, There Will Be a Cultural Battle—Interview With Gyula Horn and Viktor Orban on Politicians, Parties, and Civil Movements"]

[Excerpts] How do they see the position of opposition parties and that of the biggest government party? Is there a need for the strongest possible civil movements and where is the place for politicians—if they have one—in these movements? Do the opposition parties need to work together and, if they do, to what extent? We interviewed Gyula Horn and Viktor Orban on these issues among other things. [passage omitted]

[Pogonyi] Have you not had enough of Prime Minister Jozsef Antall always calling the proposals on six-party cooperation a mania, proposals that supposedly bring the "politics of the patriotic front" into mind?

[Orban] I can understand the prime minister's words because it is difficult to reject a six-party proposal and make sensible statements at the same time. The country is struggling with very many problems. We need laws that can be used over the long term and last longer than one parliamentary cycle. The public is extremely dissatisfied with the government's activity. The chaotic government is unable to hold a unified policy and its international prestige is dwindling. It is a generous offer on the part of the opposition when it is willing to have six-party negotiations; these are very difficult to reject in front of the public and the government does not manage to do it, either. The average citizen does not understand what Jozsef Antall means when he says that he has had enough of maniacal patriotic front politics. The average citizen expects solutions to inflation and unemployment but these are not forthcoming.

[Horn] The prime minister also said that he does not feel that the situation is critical, therefore, there is no need for such talks. On the contrary, we have a situation where a number of laws that require a two-thirds majority are waiting to be made. Our experience so far shows that it is impossible to pass laws that require a two-thirds majority without a six-party agreement. According to some rumors, the government does not intend to submit any proposals for laws that need a two-thirds majority before the next elections. If the law on the police is not passed, then the improvement of law and order will be endangered.

Another rather important remark: There is certainly an economic and social crisis and in fact it is deepening. We need a basic agreement, for example in taxation, foreign currency, and budget policies. The same agreement is also needed in the social sphere. If the government is not willing to do this, then this only proves the fact also shown by the experience of the past two and a half years, namely that the government cannot and does not want to face the social reality. [passage omitted]

[Pogonyi] Do you see any dangers in the government's policy that will cause irrevocable damage in the coming one and a half years?

[Horn] I have a rather strong sense of danger: The time when the spirit of Csurka's ideas dominate the biggest governing party is not far off.

[Pogonyi] Are you trying to frighten us?

[Horn] I am not trying to frighten anyone. At the congress of the Hungarian Democratic Forum [MDF], I saw no sign that those whose duty it would have been to reject Csurka's known theses were actually doing so. In order to preserve the party's unity, they did not allow Jozsef Antall to be challenged. I can agree with this because it would have caused immeasurable damage to the country if they had challenged him. If Csurka's concepts were raised to the level of official policy in the MDF, this would have rather serious international and domestic consequences for Hungary. In my view, this danger was only temporarily averted at the MDF's congress. It was like extinguishing a fire. Not for the first time did Jozsef Antall not follow the road to the end because those people who support Csurka also felt that they could go further. I would be only too happy if my sense of danger were not justified. In my view, it is especially worrying that organizations, clubs, movements, and foundations that are trying to turn Csurka's ideology into a force in certain strata of society are being set up around the MDF with the party's support.

[Pogonyi] The prime minister claims that the MDF's internal conflicts are being incited from outside.

[Horn] I am sorry. A party that can be disrupted from the outside should long ago have drawn the consequences. This method has been tried many times in the past. A party that can be disunited from the outside deserves to cease to exist. [passage omitted]

[Orban] As for the extreme right, I am not as pessimistic as Gyula Horn. In my view, their positions are much weaker. I can see a chance for the danger from the extreme right not to increase.

[Pogonyi] What is your reason for this?

[Orban] This danger would become very serious in Hungary if the institutions that serve the maintenance of parliamentary democracy began to shake. It would be a great threat if the government made the judicial independence formal. There was an attempt to do so but the process has been halted. It would also be a big problem if there were an attempt to limit the Constitutional Court's sphere of authority. Fortunately, the police and the Army steer clear of ideology and political influences. Today, an extreme right-wing dictatorship cannot be introduced in Hungary because the domestic power enforcement organizations would not support it and there is no foreign support, either. One cannot rest peacefully when a government politician says that, from 1994, Hungarians will have Hungarians in the opposition. At the moment, the government parties do not endanger the operation of the opposition.

In my view, Horn's scenario, namely that the match was not over at the MDF's congress, is one of the possibilities. It does not really matter how many people Csurka or Antall has in the presidium. What is important is who has the room for maneuver.

[Pogonyi] Who has?

[Orban] At the moment, Jozsef Antall does not have any, while Csurka's room for maneuver has increased tremendously. Antall has been forced onto a course that forces him to implement Csurka's program. This was the message of the MDF's national meeting.

[Horn] I have a greater sense of danger because there is a stalemate in Hungary. The government has proved that it is incapable of governing the country in a normal way while the opposition has not had a chance and it still does not have one to prove that this can be done differently. It is also a stalemate from the point of view that people wanted radical changes as early as possible. However, we have to wait until 1994 before these can be done. If the people's situation continues to deteriorate—this is what Csurka is banking on—then the widespread dissatisfaction can be used. People who do not analyze the political situation in a very refined way may join the disappointed masses. It is not Csurka's ideas that I am really interested in but their reception. I am talking about people who are willing to act as soon as the Leader says something radical. This is a small section of society but historical experience shows that it is precisely this small group of people who can turn the country upside down. A public mood might emerge that finds the solution, the way out of the failures, in Csurka's team. It is possible that the situation in the MDF will change. [passage omitted]

Officials React to Opposition Party Proposals

AU0402114293 Budapest PESTI HIRLAP in Hungarian 2 Feb 93 pp 1, 3

["B.I."-signed interview with Imre Konya, head of the parliamentary faction of the Hungarian Democratic Forum, and Miklos Gaspar Tamas, chairman of the National Council of the Alliance of Free Democrats; place and date not given: "Optimism With Reservations"]

[Text] [Konya] In the recent statement of the Alliance of Free Democrats [SZDSZ], I think that the important thing is not that they submitted this program package, but that they intend to strive for greater cooperation in Parliament in the future. Unless this remains an empty promise, it will greatly facilitate the change in the regime, the continuation of our ability to govern this country, and the acceleration of the restructuring process. We will only be able to evaluate this declaration of intentions on the basis of concrete steps; for example, whether the SZDSZ will support the special procedures regarding the bills proposed by the government and

whether the SZDSZ will cooperate with the coalition in adopting the bills on police activity and the activity of the attorney's office.

["B.I."] The media bill is not on the government's legislative program, and it has been repeatedly stated that only serious six-party negotiations could again bring the bill up on the agenda, a bill forgotten at New Year's Eve. In view of the failure of the media bill, what opportunities do you see for cooperation?

[Konya] After the nightmare on New Year's Eve, I do not speak gladly about the media bill, because its rejection is a clear denial of the constructiveness of the opposition. However, I am optimistic, but I think it is understandable if I add that I also have reservations.

["B.I."] How should we regard the 15-point proposal: as an election or government program, or the proposal of a constructive opposition?

[Tamas] Neither of the two. These are practical and constructive proposals submitted to the public and the coalition parties by the opposition because, in our view, all of us are already bored with the ideological political debates. We are seeking an answer on how to help society in the remaining period of the current Parliament. We are looking for ideas that are—partially or wholly—also acceptable to the government coalition.

["B.I."] Has the attitude of the leading SZDSZ bodies changed toward the activity of the coalition?

[Tamas] Nothing has changed. The MDF government is as it is; in our view, the important thing is to be able to cooperate on major issues that affect everyone.

["B.I."] Imre Konya had reservations regarding the MDF proposal, in view of the unsuccessful media bill.

[Tamas] We rejected the bad media bill submitted by the MDF by making use of the opportunity provided by the two-thirds majority. It is in the rules of the game that if the opposition does not like the bills, they can torpedo them. If Imre Konya finds anything questionable in this, it means that he has not followed the parliamentary activity attentively enough in the past two years.

Parliament Approves Agricultural Market Rules

LD0302135493 Budapest MTI in English 1258 GMT 3 Feb 93

[Text] Budapest, February 3 (MTI)—A bill on agricultural market regulations has gained Parliament's approval and will come into force two weeks after enactment.

The bill provides a foundation for regulating Hungary's agricultural market and for joining the European economic coordination system, Minister of Agriculture Elemer Gergatz said. Once it is passed, the law will be implemented by an Office of Agricultural Regulations recently established by the ministry, he said.

The bill provides for direct subsidies on wheat, fodder, maize and milk. Indirectly subsidised products include pigs, cattle and chickens for slaughter, sunflower seeds and oil, and sugar beet. After January, 1994, pigs and cattle for slaughter will also be directly subsidised. The agricultural market regulations are expected to influence the market for other products in turn. The Product Council will determine guaranteed prices and product quotas for agricultural products, in accordance with price targets set by the minister of agriculture.

Agricultural producers have debts of HUF [Hungarian forints] 60bn, according to estimates from the Ministry of Agriculture released earlier. This year's budget allocates HUF 35bn for intervention and subsidies on Hungary's agricultural market, as against HUF 30bn last year. In addition, HUF 15bn will be available from several government sources and funds to finance Hungarian agriculture.

Osiatynski Signs Five Agreements With France

LD0202090893 Warsaw PAP in English 2356 GMT 1 Feb 93

[Text] Paris, Feb. 1—Five protocols and agreements between Poland and France were signed in Paris on Monday [1 February] following talks between Finance Minister Jerzy Osiatynski, the government plenipotentiary for European integration, Jacek Saryusz Wolski, and French Finance Minister Michel Sapin.

Sapin was pleased with the positive developments in the Polish economy, such as increased industrial production, the fall in inflation, improvements in the balance of trade and the continuing course of privatisation.

The main agreement signed stipulated that the French contribution to the zloty stabilisation fund, which amounts to 100 million dollars, should be transferred to the reconstruction and the privatisation of Polish commercial banks. The agreement includes extensive cooperation ranging from training for banking management to bank privatisation.

Osiatynski stressed that following the French agreement on the transfer there existed an agreement at present concerning the conversion of 75 per cent of the whole fund (worth 1 billion dollars). The French decision may facilitate the adoption of similar decisions by Britain and Germany, which also contribute 100 million dollars to the fund, as well as the Scandinavian countries.

Osiatynski said that probably the whole fund would be allocated to servicing the long term treasury bonds and also freeing enterprises from debt. Current treasury expenditure could not finance this for the next 3 to 4 years.

Today's agreement could be very important for setting privatisation of the banks in motion if other agreements followed, added Osiatynski. This was conditional on the signing of an agreement with the International Monetary Fund, which in turn depended on the budget being accepted by the Sejm (lower house).

Osiatynski and Sapin also signed an agreement on cooperation between the French and Polish Finance Ministries and a partnership protocol aimed at encouraging French investment in Poland to which 207 million francs will be allocated in 1993.

Another protocol prolonged the operations of the France-Pologne Foundation for the next 3 years. The foundation is specifically concerned with the development of local government in Poland, 40 million francs annually (120 million francs in total) being earmarked for this project.

Finally a protocol was signed providing 5 million francs towards developing technical expertise in the restructuring and privatisation of the Polish economy.

Also on Monday Osiatynski spoke to the French National Employers Council (CNPF) and held separate talks with the managing director of the state-owned computer firm "Bull".

Osiatynski maintained that the possibilities for economic cooperation between France and Poland have not been exploited yet.

France To Contribute $100 Million to Bank Reform

LD0202183093 Warsaw PAP in English 1539 GMT 2 Feb 93

[Text] Warsaw, Feb. 2—France is ready to contribute 100 million dollars to help Poland reform and privatize its banking system, Polish Finance Minister Jerzy Osiatynski said after returning from Paris on Tuesday [2 February].

However, the French side conditioned its assistance on Poland's reaching an agreement with the International Monetary Fund (IMF) which in turn is closely linked with the Sejm approval of the 1993 budget bill, Osiatynski said.

France is among 18 countries which in 1989 set up a fund to help Poland stabilize its currency. Poland never made use of that fund which totalled 1 billion U.S. dollars. Poland has asked the state-founders of the stabilization fund to approve a plan under which the fund's money could be used to reform the Polish banking system.

According to Minister Osiatynski, the whole operation would demand some 700 to 800 million dollars. Seven countries have already agreed to Poland's proposal, said Osiatynski. He expressed the opinion that the signing of the agreement with France may make talks with governments of other European states which have contributed about 100 million dollars each to the stabilization fund much easier.

Poland and France also signed a 30 million dollar agreement on preferential credits for French and Polish-French companies and an agreement on the French Government's 40 million franc aid for Poland.

Defense Minister on Visegrad Military Cooperation

AU0402111393 Warsaw RZECZPOSPOLITA in Polish 29 Jan 93 p 7

[Interview with Defense Minister Janusz Onyszkiewicz by Maria Wagrowska; place and date not given: "Visegrad Is Still Relevant"]

[Text] Czech Defense Minister Antonin Baudys recently cast doubt on the sense of military cooperation between the Visegrad group of countries. RZECZPOSPOLITA asked National Defense Minister Janusz Onyszkiewicz about his approach to the question.

[Wagrowska] In view of the dissolution of Czechoslovakia, is there a need to renegotiate the agreement on military cooperation that our country concluded with that state on 27 February 1991 in such a way that there would be separate agreements with the Czech Republic and with Slovakia?

[Onyszkiewicz] There is no such need. Even before the CSFR split, in the fall of last year, Defense Minister Imrich Andrejcak, who is a Slovak incidentally, and his deputy, the Czech Jiri Pospisil, told us clearly on several occasions that as successor states, the Czech Republic and Slovakia would assume the obligations stemming from Czechoslovakia's agreement with Poland. So, I am certain that the agreement on military cooperation will continue to be implemented. Besides, the Czech Republic and Slovakia are assuming all treaty decisions that were assumed by Czechoslovakia.

[Wagrowska] Following the statements made by Minister Baudys and Czech Prime Minister Vaclav Klaus, in which they distance themselves from cooperation within the Visegrad group, does Poland still want to pursue and even expand military cooperation?

[Onyszkiewicz] I think that Visegrad group cooperation on both defense and other issues will continue. I think that the certain distance that is sometimes reflected in statements made by Czech politicians stems from a fear that the group will become institutionalized. However, we, the Poles, and the Hungarians also do not want that. We have never talked about creating some structure that would give our cooperation an institutional framework. I believe that our countries are in a sense fated to cooperate. The cooperation could be based on bilateral principles, between Poland and the Czech Republic, between Poland and Slovakia, Slovakia and the Czech Republic and so on, but we all benefit from it more if it is multilateral. Our countries should appreciate that our ability to cooperate within the Visegrad group is being keenly observed by many Western countries. They view cooperation within the group as a kind of test of our ability to engage in multilateral cooperation, which is something that we will have to possess if we want to enter broader European structures.

[Wagrowska] Irrespective of the undertakings that have already been realized, what should military cooperation between the Visegrad group of countries focus on?

[Onyszkiewicz] Cooperation in new areas—we already talked about that in the fall of 1992—would call for a review of the research and application work being conducted for the needs of our countries' armies so that cooperation between our defense industries could at least begin in this field and so that we could maintain weapons standardization for our armed forces, which I consider convenient. It would be worth thinking about exchanging information on purchasing plans for our armies, if only to be able to negotiate contracts in a uniform manner, which would make it possible to obtain better terms. A further matter would be the continuation of cooperation in controlling air space, which tends to be unsatisfactory in the case of the Central and Eastern regions of our countries. We should, for example, develop our own systems for identifying aircraft. It would be a good thing for them to be compatible and for it to be possible to link them to a broader system of international cooperation in due course. After all, we hope that we will become members of European security structures.

Onyszkiewicz on Ukraine Trip, Szeremietiew Charges

LD0302205693 Warsaw TVP Television First Program Network in Polish 1830 GMT 3 Feb 93

[Interview with Defense Minister Janusz Onyskiewicz by unidentified correspondent in Warsaw—live; from the "Wiadomosci" program]

[Text] [Correspondent] Good evening, Minister. On 25 January, you signed an agreement on military cooperation with Germany, and today with Ukraine. One gets the unavoidable impression that this is a balancing act between East and West. Is it because of the need to maintain proportion between East and West that we find ourselves in the middle?

[Onyszkiewicz] No, that would be a completely false impression. Poland has a very clear view of its foreign policy. This involves the prospect of joining the European Community and NATO, but Poland cannot turn its back on its neighbors in the east. It cannot forget about history and geography. In the end, good relations with Ukraine are something that lie in the vital interests of both Poland and Ukraine. That is why, for economic and political reasons, Ukraine is treated as our strategic (?partner). That is why this cooperation must also be transferred to such an exceptionally important area as military relations, which will serve to strengthen trust and to build a certain stabilization in our part of Europe.

[Correspondent] You mentioned the desire to join NATO. It was, in fact, during your visit to Kiev that NATO Secretary General Manfred Woerner said that Poland had a chance to become the first member of the Visegrad group to be admitted to NATO. Did this facilitate or hinder your talks in Kiev? What do you think of this statement by Woerner?

[Onyszkiewicz] This statement did not effect us. It does not surprise me, since during the visit by Prime Minister Suchocka—whom I had the pleasure of accompanying—Mr. Woerner said that if NATO were to consider new members, Poland would be, if not one of the first, then the very first candidate. I would not like to race against anyone in this. I hope that Poland will be admitted (?together) with our partners from the Visegrad group.

I think this would be easier to understand—let us be honest—these prospects are not for tomorrow, but for the day after. Although, everything happens sooner than we expect in Europe.

[Correspondent] Minister, let us return for a moment to internal problems. Two hours ago, PAP published an open letter by Romuald Szeremietiew, which states that, on your request, documents pertaining to martial law in 1981 have been destroyed over several days. What do you think of this?

[Onyszkiewicz] I do not want to evaluate this statement, but it is basically utter nonsense. I never gave instructions to destroy any documents whatsoever, either now or in the past. I have no such intention and never have. The martial law documents are secure and located at the Central Military Archives.

[Correspondent] Thank you, sir. The guest of the "Wiadomosci" program was Defense Minister Janusz Onyszkiewicz.

Yeltsin Aide Comments on Bilateral Relations

AU0302172493 Warsaw TYGODNIK SOLIDARNOSC in Polish 29 Jan 93 p 3

[Interview with Sergey Stankevich, political adviser to Russian President Boris Yeltsin, by Antoni Zambrowski in Warsaw, date not given: "In Wokulski's Footsteps"]

[Text] [Zambrowski] You have come to Warsaw at the invitation of the Katyn Families [association of family members of the Katyn massacre victims], but are you also preparing President Boris Yeltsin's visit to Poland?

[Stankevich] That is the main purpose of my visit.

[Zambrowski] What can you tell us about Polish-Russian relations?

[Stankevich] The Katyn issue is being dealt with independently of official visits. As for President Yeltsin's visit, this will be the first visit to Poland by the president of a democratic Russia, a Russia that has overcome the heritage of totalitarianism and is now overcoming the economic difficulties and accelerating the pace of the reforms. Our president expects a lot from this visit. There are many new things we have to do. Because of the disappearance of the totalitarian system in the Soviet Union and its Polish image, many of the documents that were concluded in those days and that imposed completely artificial mutual relations have lost their raison' d'etre. We have to build new foundations in the area of international law. The 1992 treaty is the cornerstone of this. We have already concluded 14 agreements that expand on the provisions of the treaty. Further agreements are to be signed during President Yeltsin's visit. One of the agreements we would like to conclude is one concerning care of military ceremonies and the graves of soldiers and victims of persecution. This agreement is being prepared. Obviously, one cannot overlook the question of Katyn at a time when we are establishing new relations between Poland and Russia. Our president, who took what we may describe as a decisive step by revealing the way in which the atrocity was decided upon, would like to have the issue resolved in a normal, civilized manner because the graves are beginning to bear the names of those buried in them and are receiving dignified headstones. We also are determined to do everything we can in this process.

[Zambrowski] You are a political advisor, but are you also dealing with economic matters here in Poland?

[Stankevich] My duties include political matters and questions of humanitarian and cultural cooperation, but we have also been discussing some economic issues. We have agreed that during the president's visit, such things as a mutual settlement of accounts will be discussed. Unfortunately, the financial links between Poland and Russia are completely blocked. Russian money is nonconvertible and the settlement system is exceedingly complex. This is the main obstacle to expansion of trade. The possibilities for mutual exchange are enormous, but because of the reason I just mentioned, they are only used to a minimal extent. Our experts have prepared suggestions on the settlement issue, and this issue will be included on the agenda of the visit. I think our Polish partners will also be interested to know that we have decided to grant Kaliningrad Oblast the status of an intensive enterprise zone. This oblast borders Poland, and Polish entrepreneurs may display their initiative there. As far as I can see, many Polish entrepreneurs are following the example of Wokulski, the hero of the Boleslaw Prus novel *The Doll*, and earning profits through trade with Russia. I think that is a tradition worthy of emulation.

Of course the struggle against organized crime, a problem that concerns the Poles considerably, will be examined during the president's visit. Criminal gangs are entering into cross-border agreements faster than the law enforcement agencies can. We must fill this loophole as quickly as possible. A major conference on international crime will take place in Poland prior to the president's visit. Our experts will take part in it. The problem will be discussed during the visit, and representatives of law enforcement agencies are scheduled to sign a cooperation agreement.

Cultural exchange, the heritage of both countries, and educational cooperation will also be discussed, of course. We would also very much like to have exchange student problems, in-state institutions as well as in-business schools. We would like for our younger generations, especially business people, to get to know each other and to learn to work in conditions of a market economy and democracy.

[Zambrowski] What are the greatest difficulties in Polish-Russian relations?

[Stankevich] Under economic issues, the greatest problems are mutual financial settlements and fuel exports. According to a protocol that has been signed, we are supposed to supply about eight million tonnes of crude oil to Poland. But because of reduced production, we can only supply five million tonnes. We would like to make up for this by supplying additional natural gas.

[Zambrowski] What about political issues?

[Stankevich] The greatest and most painful problem right now is Katyn. The investigations are to be completed this year, and the procurator offices of both countries should present their opinions about the results of the investigations. The most difficult problem is what happens next because the investigations should result in a formal court verdict. A debate on this issue is taking place in Russia, and it is very heated at times. Who should bear responsibility for this atrocity and how is a painful problem. I hope a proper solution will be found that will punish the real authors of the crime, but not undermine in any way the new relations developing between our countries.

[Zambrowski] What about the withdrawal of Russian forces from Poland?

[Stankevich] That issue has already been resolved. Individual units are already being withdrawn, even ahead of schedule. The Polish side has not expressed any complaints. All we ask is that the withdrawal take place in a calmer atmosphere. Unfortunately, various regrettable incidents occur now and then. They are understandable but unnecessary, and do not help anyone.

Supreme Court Head Declines To Hear Walesa Case

WS0302133493 Warsaw SERWIS INFORMACYJNY in Polish 1926 GMT 1 Feb 93

["Letter From the First President of the Supreme Court to the President"—SERWIS INFORMACYJNY headline]

[Text] Lech Walesa, president of the Republic of Poland, has received a letter from Professor Adam Strzembosz, first president of the Supreme Court, in reply to President Walesa's letter of 28 January 1993.

Following is the text of Professor Strzembosz's letter, published in full:

Dear Mr. President,

I have given considerable thought to your request, which was directed to me in your letter of 28 January this year, to solve the case of your alleged collaboration with the Security Service or the Citizens' Militia.

The fact that it is very urgent to take a stand on accusations leveled against the head of state is a good reason for taking on the role of a person who can issue an opinion in this matter. There are other serious reasons, however, that force me not to take on such a role.

It should be noted that the Sejm is currently working on the bill on investigating the past lives of cadres. As a basis, two bills were adopted, prepared by the Confederation for an Independent Poland, and by the Liberal-Democratic Congress. Both bills envision that the office of the president of the Republic of Poland should also be investigated, and neither of them mentions that the role will be fulfilled by the first president of the Supreme Court.

Therefore, the issuing of such an opinion, which you have asked me to do, would not result in your being excluded from the investigation process. This, in turn, could cause the first president of the Supreme Court and an investigative body to take different stances.

Such a situation cannot be excluded, and instead of ending, it would encourage discussion about the allegations and weaken the credibility of the solutions presented to the public.

The revelation of the secret documents allegedly concerning Lech Walesa, even only to the first president of the Supreme Court, could encourage other people holding high offices in the state or in the political life of our country to forward similar requests to me. Then it would be impossible, I am afraid, for the Internal Affairs Ministry to withhold the files that had henceforth been considered secret. In this way, contrary to the rule of equality before the law, influential people would be investigated on their command. This would be happening under conditions in which the materials concerning the Security Service agents responsible for the deaths of Polish patriots would still be kept secret.

The accepted investigative proceedings, with no legal bases, would be correctly assessed as wrong, even though they were adopted by the Sejm as a law or in some other way approved by the Sejm.

Regardless of the fundamental motives for my stand which I have outlined above, I would like to draw your attention to the fact that there is no way to supply an unambiguous answer to the detailed questions in your letter.

If, among the documents of the Internal Affairs Ministry submitted to me, I found any documents containing the signature of Lech Walesa, I could not, without graphological expertise, say whether or not the signature is yours. Nor could I say whether it is in the original document, or in a forged one, or a doctored one, because I would not have the necessary specialist examinations.

Moreover, since I would not have the necessary means to say whether the documents submitted to me are all the materials which comprise the "Bolek" case, I probably would not be able to determine whether the cryptonym "Bolek" pertains to a certain agent, or if it is a name for a case or a person against whom the materials were collected for informative purposes or for a political provocation.

Another obstacle in determining the facts which are essential for issuing the correct opinion is the fact that the people who created the materials or were otherwise connected to the case could not be interrogated.

I understand your anxiety about explaining the whole matter as soon as possible. Therefore, I propose that if

the Sejm work on the investigative bill is further prolonged, you apply to the Sejm to issue a short bill that would empower the State Tribunal or the Supreme Court to examine the individual case of the president of the Republic of Poland. They should do so in accordance with the proceedings used in these bodies.

Government Special Powers, Early Elections Favored

AU0102133993 Warsaw PAP in English 2034 GMT 28 Jan 93

[Text] Warsaw, Jan. 28—Forty-four percent of respondents in a poll released by the Public Opinion Research Centre (CBOS) today said they would approve if the government were granted the right to rule by decrees, while 28 percent of the polled said they would not. Twenty-eight percent had no opinion on the issue.

When asked whether the president should be granted the same right, 32 percent said "yes", 46 percent "no" and 22 percent were not sure.

Some 48 percent of the respondents said they agreed with the dissolution of the Sejm (lower house) and the holding of new general elections, while 30 percent did not agree with the idea.

Over 28 percent opted for a "heavy hand" rule in Poland and the giving up of democracy, while 52 percent were against. Twenty-five percent would favour announcing a general strike and 62 percent would not.

The poll was conducted on a representative sample of 1,208 adults on January 15-17.

* Construction Companies To Receive U.S. Loans

93EP0127C Warsaw GAZETA PRZEMYSLOWA I HANDLOWA in Polish No 49, 6-13 Dec 92 p 3

[Article by (jal): "American Capital Aid: New Forms of Loans for Construction"]

[Text] In December, the work of the Polish-American Mortgage Bank SA begins; it will extend construction loans to entrepreneurs and long-term mortgage loans to home buyers.

The shareholders of the new bank, with $16 million in capital, are the Polish-American Enterprise Fund, the Wielkopolski Credit Bank, and the foreign trade firm Polservice. The bank's offering constitutes a significant expansion of the construction and mortgage loan market in Poland by virtue of its new form, and the ground rules adapted assure much security for this activity.

Mortgage loans, with a 15-year repayment period from the time construction is completed, are intended to increase the number of owners of single-family homes in our country. They will be granted for the purchase of homes with values of $20,000 to $80,000. The annual interest rate is currently 12 percent, and the bank guarantees it will not change throughout the term of the loan. The loans are granted in dollars, and the borrower assumes the exchange rate risk.

As explained by the bank's president, Dr. Jenne K. Brittel, the 15-year term is long enough that periods of both higher and lower inflation will occur and will cancel each other out. That was how Dr. Brittel explained the bank's ability to offer such a low interest rate—as far as Poland is concerned.

The borrower must document ownership of funds equal to 50 percent of the house's purchase price, show a monthly income in an amount sufficient to repay the loan, and have no loans with other banks or lending institutions.

A rough calculation shows that, with an exchange rate of 15,500 zloty [Z] to the dollar, a house worth $50,000 (average for the bank) and a mortgage loan for half that amount, plus a 12-percent interest rate, the monthly payment could be about Z5 million or $270. In addition to that amount, there is the cost of a mortgage guarantee insurance policy, which the borrower must buy at an insurance company designated by the bank, whose annual share amounts to about 2 percent of the entire loan amount.

In President Brittel's opinion, a borrower with these qualities is a reliable enough person to guarantee repayment of the loan almost completely. Responding to a question about the possibility of eviction if loan repayment stops, Dr. Brittel assured that the bank is concerned with the repayment of principal and interest, not with owning houses, and, in exceptional situations, the bank will certainly approach each instance individually, even to the point of converting the debt.

The bank has set strict requirements for the kind of houses on which it will extend credit. It prefers units in uniform row structures or stand-along houses in tracts of 10 to 40 homes, 100-140 square meters each. They are to be built in accordance with modern technology, of good quality building materials—although, for example, wood houses of classical construction and good quality will also be accepted. The bank reserves the right to make the loan on the condition of acceptance of these elements because the house is security for the loan.

Complementing the mortgage loans are annual construction loans extended to entrepreneurs. This interest rate is currently 14 percent; they are also made in U.S. dollars, and the borrower assumes the exchange rate risk. They are designated for the construction of at least 10 free-standing or one-family row houses of the size and values mentioned above. To obtain a construction loan, in addition to information about the firm, which is typical in Poland, the entrepreneur should exhibit a stable financial situation and liquidity, a satisfactory credit history, and experience in the construction field.

In addition, he must have a site on which he intends to build and funds to equip the site, and he must provide evidence of the advance sale of all planned homes. The construction plan must meet all environmental protection requirements. The bank requires that the houses be ready for use within one building season from the time construction starts, and with construction of tracts of more than 20 houses, that they be ready for use in stages. The loans cam be for 60 percent of construction costs—the borrower handles the balance, including the cost of the site, equipping it, the cost of establishing real estate records for each house, and so forth.

The bank plans to launch about 15 projects in 1993, of 10 to 40 houses each. To seek out people with the qualifications necessary for the mortgage and construction loan market, the Polish- American Mortgage Bank SA has funded two scholarships in several departments at the Warsaw Polytechnic, Warsaw University's Management School, and the Law School at Adam Mickiewicz University in Poznan. The scholarship recipients will participate in a paid practice at the bank during vacations.

* Illegally Smuggled Goods Create Tariff Problems

93EP0127A Warsaw RYNKI ZAGRANICZNE in Polish No 148, 8 Dec 92 p 8

[Article by G.K.: "Seized Alcohol for Whom? Customs Offices 'Drowning' in Vodka and Spirits"]

[Text] Alcohol holds first place among goods smuggled into Poland. In just the third quarter of this year, the value of confiscated spirits and clear vodkas (not included here is seized freight from fictitious transit) is estimated at 5.5 billion zloty [Z]. During this same period, the confiscation of 138,000 liters of alcohol products, including 4,083 liters of pure spirits, was ordered on behalf of the State Treasury on the eastern border.

The number of instances of seizures by customs officials of alcohol products increased significantly after the introduction—in April 1990—of the total ban on importing to Poland spirits and clear alcohol products, after the imposition in August of 1990 of levies on the import of graded liquors (whisky, brandy, cognac, and so forth) and the introduction in October of that year of the requirement to obtain permits to important beer, wine, and tobacco products.

Since that time, customs officials have been intercepting greater quantities of good imported illegally, outside the law. It turns out that customs offices are drowning in a sea of alcohol and spirits and do not really know what to do with it inasmuch as a separate method of liquidation of these products has not been officially established.

Until about mid-1991, confiscated alcohol found its way into sales in the retail and wholesale trade network. The great supply of alcohol and an inadequate customs warehouse base and the ever increasing cost of storing the goods meant that customs offices were forced to sell these products at about 70 to 80 percent of their official price. At the same time, critical comments began to flow into GUC [Main Customs Office]. The Ministry of Health and Social Services pointed out the uncertain origin of these products and the more and more frequent instances of poisoning after their consumption. The Finance Ministry stood in defense of Polish producers of alcohol products, for whom the flood of imports and the sale of confiscated products in the retail network had impaired business and diminished the market.

To Processing

At the end of 1991, the president of GUC established a separate procedure for the so-called liquidation of alcohol products. Since then, customs offices have been sending confiscated alcohol to Polish spirits plants for processing, for repurification; this applies to pure spirits and liquors. Graded liquors and wine and beer are sent out for sale in the market, after getting health certification, at prices that do not differ from official ones, reduced by a turnover margin. A lack of certification or buyers of graded liquors at established prices has caused the need to transfer this alcohol to processing as well. The price obtained for alcohol sent to processing is the price used by the "Polmos" works for so-called slops and is about Z300 to Z500 for a half-liter, 40-percent alcohol bottle.

"Unfortunately, at the end of 1991, it turned out that Polmos did not want this alcohol from us, even for nothing, or that it could take some of it, but GUC would have to handle transport," says Miroslaw Zielinski, GUC president. "This situation changed only in mid-1992. Since then, the Sieradz Fruit and Vegetable Plant, as the only one in Poland, has been buying from customs offices alcohol seized earlier by officials. The Sieradz works pays for the 'slops,' about Z5,000 for one liter of spirits. We chose this plant only because it met all the requirements set by the departments: finance, health, agriculture, and industry. But it does not have exclusivity, and, if other volunteers turn up who are also in a position to meet our requirements, they will be able to buy liquidated alcohol from us."

So it is worth becoming familiar with the conditions that must be met by plants in order to obtain a permit to buy alcohol from the officials.

Before submitting an application to GUC, it is necessary to obtain the approval of three ministers—finance, agriculture, and health and social services, as well as the Main Health Inspector—to use in production clear liquors and spirits from customs deposits. GUC must be certain that the alcohol will be used for secondary purposes and not be placed into resale. A basic condition is assurance of repurification of the alcohol purchased from customs.

A special tax control guards the appropriate use of the alcohol. Officials inform two treasury offices about the

sale of alcohol from deposits: the appropriate one for the customs office location and the one for the location of the buyer. Firms or plants that, after buying alcohol from officials, plan to export it—to former USSR countries, for example (there have already been such cases), or use it for cleaning machines or equipment—have no chance to receive a permit.

How To Liquidate?

Although officials will most probably manage the problem of alcohol designated for liquidation, there is still the question of regulating the liquidation of personal property from seizures, in general. There remain such goods as cigarettes (that do not meet stamp requirements, have no information on the package about nicotine and tar content; in the future, the lack of an excise band will certainly be added) or cars more than 10 years old.

The order of the Council of Ministers in effect today on the procedure for disposing of certain State Treasury property is from 1967, and some of its provisions are obsolete; they do not fit Poland's economic realities in the light of levies, licenses, and permits introduced into the importing of goods into our customs territory. In the opinion of officials, the matter of liquidating confiscated goods requires a clear and quick determination.

Last April, GUC applied to the ministers of finance and justice for legal regulation of the liquidation procedure. One should keep in mind here the possibility of harmful practices and dishonest dealers—for example, the possibility of placing alcohol from undetected smuggling beneath alcohol purchased from confiscations. The application of the GUC president should certainly be treated as a necessary and indispensable initiative in economic practice.

* Military Budget Problems, Solutions Viewed

93EP0127B Warsaw POLSKA ZBROJNA in Polish 16 Dec 92 p 3

[Article by Colonel Gustaw Mikielewicz, an expert on the Sejm Commission for National Defense: "In Connection With Budget Debates: National Defense—Financing System"]

[Text] National security is conditioned upon a number of elements, including the economic factor. It is hard to overestimate the role of finances, but the problem is that, in the new situation and with a functional formulation of the issue, principles of defense financing, the structure of the defense budget, and the relationship of the financial and other aspects are subject to major reevaluation.

There is a great diversity of opinion on the economic element of defense or, to put it more broadly, national security, which is reflected both in stated defense policy and in the structure of the defense budget. There are advocates of giving precedence to defense needs and to financial capabilities (the budget).

This means that, in planning and making decisions regarding the size of our defense effort, these questions are rightly asked: "What are our needs?" or "How much can we afford to allocate to defense?"

The controversy also centers around the relationship of the financial aspect to other aspects of defense: doctrinal (strategy, policy) and technological (methods to achieve defense objectives).

Confusion in the interpretation of the economic aspect obscures its true picture and makes it difficult to expend resources on defense rationally. But the most serious threat lies in the procedure for drafting and in the structure of the defense budget.

Structure of Expenditures

Generally, the structure of expenditures is made up of these items: arms purchases, training and operations, maintaining personnel conditions (including food, uniforms, housing and medical care), and investments. It shows only the financial scale of using human and material resources, and the basic types of defense activity according to their technological and economic characteristics.

This form of the defense budget and these principles of financing defense were justifiable to a certain degree when the Warsaw Pact existed. Now it is necessary to independently formulate a program to assure national security, starting with a forecast of potential threats, defining defense objectives, and choosing the forces and methods to achieve these objectives, up to and including defense preparedness and finances.

Yet the approach for defining defense needs has remained fundamentally unchanged. There is still a trend toward fulfilling the arms limits allocated to Poland, and with the most modern equipment. But this costs a lot and, because of the state of the economy, is unrealistic.

Even countries much richer than Poland are freezing or discontinuing highly advanced arms programs because of the changing situation and nature of defense practices, an example of which is the withdrawal of some countries from contributions to the Europlane.

From the economic point of view, the country's security depends on:

1. resources (now and in the future)

2. the amount of resources designated for national security

3. the efficiency of the use of resources designated for national security; this is a task for both defense and economic-military planning, to make the choice of the most effective or most economical (from among the alternatives) means to achieve security goals.

Functional Procedure

The state budget, including defense, is the most powerful instrument in the government's hands, serving to publicly present the state preferences. A functional procedure for drafting the budget can help to keep pace with new challenges, especially in the current complex and changing situation.

This procedure is an element of a complex, system methodology of defense and economic-military planning. It permits taking into account the situation's volatility, flexibly executing previously planned projects, and avoiding sudden surprises. Discussions and negotiations can deal with both detailed matters and issues of greater weight, but, within the framework of a cause and effect series of events and a set of criteria for choosing solutions, constituting the "reconstruction" of the functional procedure.

The functional procedure is conditioned upon initiating a "programmed" structure for the defense budget. This structure constitutes the third phase in a four-phase process of developing methods to work out and control the execution of the budget.

The procedure for drafting a programmed defense budget:

- Brings defense and economic-military planning into harmony.
- Ties long-term plans for armed forces (and other defense measure) development to short-term budgeting.
- Balances defense objectives, methods, and costs, at the same time showing the consequences of making choices.
- Assures a systematic correction of decisions dealing with defense.
- Makes possible a thorough analysis of the implementation of "effect-cost" at all levels of defense administration.

This procedure can effectively help the Sejm and the Senate in the problem area mentioned in the field of:

- Evaluating solutions prepared by executive bodies.
- Initiating and directing solutions to defense problems.
- Making decisions in the field of the defense budget and enacting laws in the defense area.

At the level of the Office of the President of the RP (Office of National Security), it can be used effectively for strategic planning of defense projects, including the general foundations of state policy in the area of security, setting directions for defense preparedness, and establishing organizational principles for the defense system, the administration, and the general supervision of the execution of tasks in the area of national security.

At the level of government and its departments, to coordinate defense issues, elaborate an economic-military policy, restructure the military economy, and plan the operation of the economic in periods of threats and conflicts.

At the Ministry of National Defense, to set the directions for defense policy, formulate defense requirements, plan armed forces development in a programmed manner, and draft and justify the defense budget.

At the beginning of the 1970's, the fourth phase in the process of developing budget practice began to be introduced in many countries. A programmed budget structure was applied for the first time in the Department of Defense in the United States in 1961 (fiscal year 1963) and in other government departments since 1965. The mechanism then found general application in other developed countries (including England, France, the FRG, and Canada), mainly in national defense departments. Thus, the suggestions of foreign specialists regarding the use of this mechanism in our country (for example, within the framework of training and at the elementary level) are not coincidental.

Time for Initiative

Thus, introducing a functional procedure for drafting it and a programmed structure for the defense budget (and not only defense) is an inevitable stage in perfecting budget practices. It is also the first condition for compatibility between our defense system and a possible system of collective security.

A delay in this are will produce a continuation of the overly simplified reasoning in the field of defining and satisfying defense needs, the predominance of the "as needed" approach, the inability to carry out the crucial reallocation of resources, and the restructuring of defense forces and measures and the defense economy (mainly the arms industry).

The consequence of this will be a natural flight from crucial decisions and choices of great significance and their manifold effects (political, social, economic, and defense).

Planning and decisionmaking bodies will be deprived of an effective tool for programming the development and operation of the defense system, while financial institutions, instead of being analysts of costs and spokesmen for state defense policy, will play the role of paymaster, an official controller and protector of limits.

The role of the experts is to identify problems, point out the possibilities and conditions for their solutions, participate in planning and the introduction of new tools for resolving problems, and warn against the effects of failure to make crucial decisions and stratify problems.

Decision on beginning to introduce the functional approach and programmed budget structure lie with

state legislators and executive bodies. The initiative in this regard can be taken by any state office.

I think the announcement of such an initiative by the department of national defense would satisfy and go a long way toward meeting the expectations associated with the defense of all of the public.

* Future Role of Intelligence Operations

93EP0128A Warsaw POLITYKA in Polish No 51, 19 Dec 92 p 6

[Article by Jan Dziadul, including interview with an unidentified higher officer of the Intelligence Department of the Office of State Protection: "Eyes and Ears: Old Intelligence Service in a New Role"]

[Text] An intelligence service is the world's institution least interested in courting publicity. To be sure, changes in systems of society have their rights, but history teaches that, even in such cases, the veil over the secret services is not entirely pulled aside. Yet our intelligence service, more civilian than military, is being subjected to public washing of its linen and diametrically opposite assessments. Still, this is inevitable in a situation in which one political leadership accepts (following the necessary surgical treatment) the nonpartisan nature of an intelligence service, while another again merely links it to the devious interests of a foreign big power. This cannot be avoided in a situation in which one day the intelligence personnel and agents receive assurances of the stability of their status and the next they are being frightened with threats of public disclosure and firing as part of the "lustration" (read: "decommunization").

In such a situation, it is hardly surprising that intelligence personnel are being racked by doubts. "Do we nowadays need such an intrinsically murky organization? Does the Polish state need 'eyes and ears'?" This question, which graphically reflects the purposes of an intelligence service, was asked of me by a high official belonging to the Intelligence Board of the Office of State Protection.

He said, "We are probably the only country whose intelligence service is pondering the meaning of its existence, yet the logic of events prompts us to have these doubts. The proposed lustration law is going to break up career intelligence personnel and frighten away agents: It does not make a distinction between work for national security and strictly political and sometimes criminal work."

Violation of Conscience

The interview with that Polish official was official but on condition of keeping certain details confidential. The intelligence service seeks no publicity, but it needs the understanding and support of the public. Excessive secretiveness is just as harmful as those klieg lights that have recently and irresponsibly been trained on intelligence personnel. The person I was interviewing began to work in intelligence in the mid-1907's. Now, as then, this is an outfit to which no person need apply on his own for a job or take an admission exam, unlike in the case of counterintelligence or law enforcement agencies; it selects its recruits itself. Until the late 1970's, recruitment took place chiefly at higher educational institutions (as in the case of the British secret services), at which intelligence had its own people or mentors. This system of years-long evaluation and observation has lately become somewhat unwound by the need to focus on the high-tech aspects of intelligence gathering. A shortage of "mentors" now exists at the universities.

A candidate for intelligence work is subjected to varied tests, while, at the same time, his background is examined with a fine comb, the object being to determine his psychological profile and special predispositions. The questions concerning religious faith alone reflect the nature of these tests: Is he a believer? Will he view as sinful a situation in which he would have to lie, blackmail, or persuade someone to commit treason? Will he reveal such matters to his church confessor?

"We do not want such 'rape of conscience' to become a cause of additional stress. In joining the intelligence community, a person is subjected to evaluations that to a bystander may seem 'morally horrendous.' What is more, we are being measured by such standards throughout the period of our service, and after its end as well. We consciously assent to a limitation of our civil rights. The backgrounds of our personnel are sometimes checked to an indecent extent, but that is done by all of the world's other intelligence services as well. Please do not look for any ulterior motives in such background checks. When my own background was being checked, the fact that I come from a family of fervent and practicing religious believers was not an obstacle to my being hired, just as, at present, the political backgrounds of others are no obstacle. It is the circumstances (and not only political ones) that might be utilized in attempts to influence the personnel of the Intelligence Board of the Office of State Protection that are an obstacle."

Ultimately, all that is known about a candidate is verified with the aid of a polygraph, or lie detector, which, in the opinion of the examiners, "bares, even painfully so." Only after this test is the decision to assign the candidate to the intelligence training school made. At no other government agency is the vetting of candidates as thorough and painstaking: Out of every 300 persons going through this "wringer," only one ends up being assigned to that school.

Heroes and Traitors

Most of the regular intelligence personnel and the basic worldwide network of agents are persons who began their work under the previous system of society. The vetting in mid-1990 screened out those who, in the opinion of examiners, had been linked more to socialism than to Poland. Likewise, the personnel of the department handling the surveillance of emigre opposition

groupings (one of the more than 20 sections of the "Jedynka"—that is, Department I of the Ministry of the Interior) were discharged. This appears to be a natural process in a changing country, especially in a situation in which a segment of the emigre opposition is taking an active part in creating a new visage of Poland. But what about the others? One day intelligence personnel are being patted on the arm for their effectiveness and professionalism, and, on another, they have their loyalty to an independent Poland questioned. While for many years the intelligence service had retained its autonomy within the Ministry of Internal Affairs, in 1989 it was for a short period incorporated in the structures of the Security Service [the Polish KGB]. Owing to that single episode alone, once the passage of the lustration law is forced through, the basic intelligence cadre will be discharged from service nearly in its entirety. As for the other accusations directed against the "Jedynka," such as its supposed cooperation with and subordination to the secret services of the former USSR, they fill the cup of bitterness to overflowing.

"The odium of that system hangs over us like the axe of an executioner. Will it or will it not fall? We have no influence over this. It is not we who decide the extent to which the sovereignty of the intelligence service had been curtailed in a country whose sovereignty used to be curtailed. There were cooperation agreements and a mandatory exchange of information with the Soviets, and we probably also cultivated special liaison relations with them. I happen to be aware that, at the higher level, the Soviets were given information that was too confidential to share with us. At the time that had been natural, but nowadays it is not! For many years, I worked as an agent in Western countries. I had had no doubts that I was working for Poland. The basic intelligence cadre served our country and not the adjectives tagging it."

But the service's past cannot be buried just like that. There is the well-known "Kuklinski syndrome," with its practically Hamlet-like tergiversations as to whether the man was a hero or a traitor. If we call R. Kuklinski a hero because for many years he used to provide NATO countries with information on "sensitive" spots of the Soviet-dominated Warsaw Pact, then there is no rational reason for condemning Colonel H., who did exactly the same thing! If we place Kuklinski on a pedestal, where will we find room for the officers who—this is an authentic example—obtained plans of "Poland's nuclear blanketing" in the event of a conflict between the two blocs? One-half of the country was to be treated with such high doses of radiation that even rats would not survive. This unquestionable feat of the Polish intelligence service definitely weakened the position of the pact for which R. Kuklinski was working. At the same time, it made possible a number of measures reducing the danger to millions of Poles, regardless of whether they were supporting socialism or were fed up with that system. In this case, by what criteria are we to judge the intelligence service and its personnel?

Sacred Rules

In such situations, it is not surprising that the intelligence service prefers to start looking forward as soon as possible instead of backward. The world over, all intelligence services have a checkered past. That is why they are so keen to preserve their secrets and, in principle, to stick to the rules of their game, which they obey religiously. Among these sacred rules, one of the crucial is keeping the identities of agents confidential. In Poland, attempts were made to violate this rule....

An intelligence "handler" who recruits an agent assures him that no one else will ever learn about it. (The British Secret Service has been keeping secret the identities of its agents from as far back as World War I.)

It is a rule not to keep in the safe of the head of any intelligence service, whether the CIA, the Mossad, or the Russian intelligence, a list of "personal sources." Issuing an order to prepare such a list would in itself be discrediting and thoroughly suspect. Yet, in Poland, owing to successive personnel cutbacks, practically not a month has passed without a complete list of intelligence personnel and agents being found in the desks of former heads of the Ministry of Internal Affairs. The pursuit of intelligence secrets involved not so much an amateurish concept of the special services as the desire to politically discredit intelligence secrets.

"I am not qualified to judge the political repercussion of the preparation of a list of secret agents, but I am fairly certain of the repercussions to the international intelligence community (a term that is no euphemism, as demonstrated by the book *The Espionage Establishment*, by the U.S. authors David Wise and Thomas B. Ross, published as far back as 1967). Well, the disclosure of their identities would not, as something extraordinary on the world scale, escape the attention of foreign intelligence services. I firmly believe that some of them would do everything to gain possession of the lists of Polish agents. It seems to me that people with such knowledge would be living in great danger."

An intelligence service is one of the few government agencies that experience a change in the system of society without undergoing revolutionary transformations. That is why it is so often asked what the old intelligence service is doing now that the domestic and foreign situations are changing so radically?

"Our world is such that, at the end of each year, when budgets are allocated, 'spy scandals' are headlined in the press. That is the old melody of special services on any geographical latitude. Our own intelligence service, recently redirected, is filling in 'white spots.' This is linked to the changes in the political orientation, in defense doctrine, in foreign policy and to a number of other factors. In selected fields (terrorism, drug trafficking, trade in arms and radioactive materials) we are establishing cooperation with the services of other countries."

At their two meetings in Sofia this year, the heads of special services of the countries of Central-East and Western Europe and the United States committed themselves to "nonconfrontational action." What does that mean in practice, considering that the very philosophy of the operation of intelligence services inherently contains an element of confrontation?

"It should be interpreted as acknowledging the general change in the picture of the world, the disappearance of blocs that had, since the onset of the cold war, been mutually confrontational. The functions of our intelligence service and the average size of its organization have in principle remained unchanged: Our purpose is to gather information on both perils and opportunities to this country. The declarations of nonconfrontationalness apply rather to big intelligence services operating on a global scale, whose charter or scope of powers includes objectives serving to influence the political or military situation of other countries. Those are objectives of an offensive and aggressive nature, although that is not what they are called in everyday parlance. They are termed "projects of a proactive nature." We define that as "the intrusive function of the intelligence service." I can assure you that our Polish intelligence service has never played such a role!"

New Challenges

In the "confrontational" past, the principal objectives of intelligence services related to military problems, and, in the 1970's and 1980's, the services of the socialist countries were burdened with the no less important duty of gathering information on new technologies. The world has changed so much that what until recently used to be stolen now can be casually purchased. Military problems remain paramount as far as the interests of the Polish intelligence service are concerned (except that now the emphasis is more uniformly distributed).

Polish intelligence has begun to monitor occurrences that in the long run may be in the nature of ecological disasters. In this case, I can merely guess that, among other things, that involves monitoring the operations of the nuclear power plants built in proximity to our borders. An eventual "cloud" coming from some new Chernobyl would maximally destabilize the functioning of our country. That is also how we should view the ecological dispute, seemingly so ordinary that it was of no interest to intelligence services, about the dam in Gabcikov, on the Hungarian-Slovak border. In this case, ecology is a spur to nationalist moods, and, from there, it is not far to tension between countries.

"The new tasks of the intelligence service relate to the dangers ensuing from ethnic conflicts in the countries adjoining Poland, as well as in our country itself. Such lessons have never been taught to the special services of the former Polish People's Republic."

Nowadays, the old intelligence service is looking for a new identity. But that is no easy matter considering that it is continually dependent on veering political orientations. It is also learning from other services, but, contrary to appearances, it is not frantically looking for role models to emulate because it has its own pretty good traditions. Is an intelligence service needed? I think there can be only one answer! If we have any doubts about it, they can be dispelled by considering what the surrounding world is like....

Two Yugoslav Ships Denied Passage Through Sluice

AU0302181793 Bucharest ROMPRES in English 1710 GMT 3 Feb 93

[Text] Bucharest ROMPRES 3/2/1993—Wednesday, 3 February, at noon, traffic was going on in normal conditions through the gate of Portile de Fier II (Iron Gates) hydropower system, hydropower station Director Iorgu Diga told a ROMPRES correspondent.

The same source informed that today the Panchevo and Petrovarodin, Yugoslav ships at moor upstream from the gate, renewed their request for sluicing downstream, but were denied passage, in compliance with the UN Security Council resolutions.

This was the second time when the two Yugoslav ships, one towing empty petrol tankers and the other four barges loaded with maize, have requested permission to pass since Monday morning.

Faced with the refusal of the Romanian authorities to let them pass, the two captains had no reaction and stayed at anchor off the navigable channel of the Danube, upstream from the power station.

Document Reasserts Embargo Enforcement

AU0302182193 Bucharest ROMPRES in English 1734 GMT 3 Feb 93

[Text] Bucharest ROMPRES, 3/2/1993—The Romanian Foreign Affairs Ministry has forwarded an aide-memoir to the Sanctions Committee of the UN Security Council, the ministry's spokesman Mircea Geoana informed at the Wednesday, 3 February weekly news briefing, giving a comprehensive description of the measures Romania has taken since the embargo against Yugoslavia was resolved and listing the assistance Romania needs for the purpose. The document reasserts Romania's determination to further act for the strict enforcement of the embargo resorting to all the necessary means, constraint included, in compliance with the UN Security Council resolutions.

The aide-memoir reminds that although Romania has requested technical international assistance, this has failed to be rendered.

The Romanian Ministry of Foreign Affairs has had consultations with the delegation of the U.S. General Bureau of Accounts and with the head of the EEC and CSCE international mission of assistance to discuss with both the ways in which Romania could cooperate for monitoring the strict observance of the embargo against Yugoslavia and for establishing the practical means of Danube traffic inspection.

State Secretary Discusses Embargo

AU0302201893 Bucharest ROMPRES in English 1959 GMT 3 Feb 93

[Text] Bucharest ROMPRES, 3/12/1993—Representatives of the Romanian Ministries of Foreign Affairs and National Defense met in conference Wednesday, 3 February with members of both parliament houses' standing committees for external affairs, defense, public order, and national security to discuss the situation on the Danube arising from the enforcement by Romania of the UN embargo against Yugoslavia.

Foreign Ministry State Secretary Constantin Ene said that "our relations with Yugoslavia, the way Romania has been handling the incidents occurring on the Danube must be regarded outside the normal standard of international relations, of foreign policy norms between two neighbor states. They must be viewed in the context of the international commitments incumbent on Romania, considering the situation in Yugoslavia and the circumstances under which these relations are developing."

In his turn, the spokesman for the Romanian Government has informed at the 3 February news briefing that the provisions of the UN Security Council resolutions are being observed, two Romanian missions being now in Bulgaria and at Odessa (Ukraine) to improve inspection activities. The spokesman said that 4,000 ships have been checked so far, of which 66 refused to comply with Romanian customs authorities' requirements.

NPL Criticizes Embargo Handling

AU0302181993 Bucharest ROMPRES in English 1718 GMT 3 Feb 93

[Text] Bucharest ROMPRES 3/2/1993—Radu Boroianu, a leader of the New Liberal Party [NPL], told a news conference on February 3, that "the Romanian Foreign Ministry should have been firmer" as far as the situation created by the non-observance of the UN embargo on Yugoslavia was concerned. Leaders of the said party criticised the Romanian diplomacy, for "having lacked initiative," and opined that contacts should have been established with Greece, Turkey, Ukraine, in search of a solution to the conflict.

Viorel Catarama, who chairs the New Liberal Party, said he was positive the merger of his party with the National Liberal Party would be decided on by a national conference scheduled for the end of the current month. "This fusion is intended in order to create a strong Liberal Party, with a clear and coherent programme." The leaders of the New Liberal Party were, all of them, against the hunting for posts in the said party, against attempts by a number of liberals "to cheat, by taking a card out of their sleeve." The idea was stressed that the liberals had to have unification as a main objective, and not talks on potential leaders.

Some leaders of the New Liberal Party mentioned that a number of persons devoted to the former regime had been appointed in high state posts. The parliamentary opposition was criticised for having opposed a coalition government, which, it was mentioned, would have contributed to an improvement in Romania's economic condition.

Talks With Ukraine on Embargo

AU0402092093 Bucharest ROMPRES in English 0800 GMT 4 Feb 93

[Text] Bucharest ROMPRES, 4/2/1993—At Romania's proposal, negotiations between Romanian and Ukrainian delegations will take place in Odessa today, 4 February, on the two states' cooperation regarding the observance of the UN embargo over Yugoslavia. The Romanian delegation is made up of representatives of the Foreign Ministry, of the Ministry of Transport, and of customs and border guards authorities.

A meeting was held on 2 February, attended by Dan Mircea Popescu, Minister of State, Paul Teodoru, Minister of Transport, George Danescu, Minister of the Interior, Dumitru Popescu, Minister of Industries, Mihai Pinzariu, director of the Customs General Directorate, and a representative of the Ministry of Foreign Affairs. During the meeting, issues were approached regarding the current situation on the Danube and a detailed coordination of the activity carried out by the involved ministries regarding the observance of the resolutions of the UN Security Council. Also decided was a strict guard of the ten Yugoslav barges loaded with oil products, now on the Romanian territory, between the ports of Braila and Giurgiu and ways were analyzed to bring three fast motorboats and radar supervising systems into Romania, offered by the United States of America to the Romanian customs authorities.

Deputies Discusses Moldovan Political Crisis

AU0202182493 Bucharest ROMPRES in English 1734 GMT 2 Feb 93

[Text] Bucharest, ROMPRES 2/2/1993—National Peasant Christian-Democratic Party (PNTCD) Deputy Leonida Lari, from Bessarabia, brought up in the lower house sitting of Tuesday, 2 February, "the disastrous situation Bessarabia is in now." She denounced the stepping up of the "anti-Romanian policy" made by some political circles in the Republic of Moldova, and the "offensive of the imperial forces trying to undermine the independence and sovereignty of the Romanian state between the rivers Prut and Dniester."

Many members of the house, representing, practically, all parliamentary groups, took the floor to show that the idea of union should be consistently pursued step by step, for Bessarabia's return to the fatherland. The idea of a referendum in Bessarabia was strongly rejected. The speakers condemned the Romano-phobia propagated by circles hostile to union on either side of the Prut. A consensus was met on the position expressed very clearly during the debates that the examination of the situation in the Republic of Moldova could not be considered "interference in the internal affairs" of another state, as Bessarabia is a historical territory of the Romanian people.

The debates were concluded with the resolution adopted by vote that the Chamber of Deputies draw up and issue a declaration on the current issues in the Republic of Moldova and on the latter's relations with Romania.

Spokesman Briefs Press on Moldova, Other Issues

AU0302194293 Bucharest ROMPRES in English 1708 GMT 3 Feb 93

[Text] Bucharest ROMPRES 3/2/1993—"The Romanian party fully supports the official declaration of the Ministry of Foreign Affairs of the Republic of Moldova, which condemns the signing of the Treaty of Friendship and Cooperation between the so-called Dniestrian and Abkhaz Republics," the Romanian Foreign Ministry spokesman Mircea Geoana said at the Wednesday, 3 February weekly news briefing.

Appraising the signing of such a treaty as a manoeuvre inspired by certain circles seeking the dismemberment of the Republic of Moldova and the undermining of all efforts for a political settlement of the conflict in Transdniestria, the Romanian party will grant its full political and diplomatic support to foil the plans of those aiming at such goals, the spokesman said.

Mircea Geoana, spokesman for the Romanian minister of foreign affairs, announced that the Foreign Ministries of Romania and the Russian Federation would have consultations in Moscow on February 8-9, on the basis of a protocol the two had concluded. Opinions will be exchanged on the building of a legal and political framework for bilateral ties and the development of political, economic, cultural-scientific cooperation, of cooperation in other fields actions and measures are in view at various levels, as well as the negotiation and signing of covenants and understandings of cooperation, including a political treaty between Romania and the Russian Federation, based on the principles of equality, partnership and mutual advantage, in keeping with the democratic changes in the two countries and in Europe. "The coming Romanian-Russian consultations are part of the demarches of the Romanian diplomacy for normal cooperation ties, to the benefit of the two sides, with the Russian Federation and other countries."

Iliescu Praises 'Constructive' Talks With IMF

AU0302213293 Bucharest Radio Romania Network in Romanian 2000 GMT 3 Feb 93

[Statement by Romanian President Ion Iliescu after talks with IMF delegation, in Bucharest on 3 February—recorded]

[Text] I would like to say a few words. First I want to point out the constructive nature of the activity carried out by the IMF delegation during all these days of discussions with representatives of the government, the basic ministries, the banks, and the banking system, and the delegation's comprehensive knowledge, its open and proper understanding of the processes in our country, as well as its knowledge of the reform and the transition to the market economy, and I want to emphasize the progress that has been achieved by Romania in this period and the problems we are facing in 1993.

As both sides see it, 1993 is a key year for this whole reform and transition process. On the one hand, it is the year that concentrates the greatest difficulties—it is an accumulation of the difficulties our national economy had to cope with in the past three years: The decline in production, the inflation process, unemployment, and the social effects on peoples' lives, while, on the other hand it is the year in which we may hope—and there are a number of signs that entitle us to this hope—for a halt to this decline and the creation of the preconditions for relaunching economic activity.

What I would also like to point out as a positive sign in the analysis made by the IMF delegation is that it did not only deal with monetary and fiscal policy aspects. The analysis also dealt with fundamental aspects of economic activity, with the real economy, the interdependence between economic processes, and phenomena in the monetary policy.

From this point of view, the government program places stress on a few key problems of the current year, namely the structural reform and this long process of increasing efficiency and introducing financial discipline, and the relaunching of the investment program as a key problem of redressing the national economy. And all these things combined with a social policy program that should lend coherence and support for the whole program was noted and assessed by the IMF delegation in a realistic way.

I would like to point out the constructive spirit and the support we have enjoyed and continue to enjoy on behalf of this international organization which has shown great understanding and an open attitude; I also want to stress the hope that in 1993, too—and this is, in fact, the objective of this delegation—we will discuss the foundation of the new agreement, the new accord regarding IMF assistance in 1993.

We hope to be able to maintain the same atmosphere of good understanding and cooperation with the IMF.

Officials Attend Davos Economic Forum

AU0302195293 Bucharest ROMPRES in English 1834 GMT 3 Feb 93

[Text] Bucharest ROMPRES 3/2/1993—Several Romanian personalities attended the Davos economic forum in the period 29 January - 2 February 1993. Among them, State Minister Misu Negritoiu, in charge of the Council for Economic Coordination, Strategy and Reform, and Lower House Speaker Adrian Nastase.

In a statement for Radio Bucharest news programme, Mr. Negritoiu made the remark that "we are accepted to the European dialogue and it depends on us to make it permanent."

At the close of the forum, the head of the Reform Council, accompanied by the presidents of the Romanian Bank for Foreign Trade Dan Pascariu and of the Romanian Agency for Development Emilian Ijdelea, went to Paris where a round table on Romania is being held with the assistance of the National Council of the French Employers Association.

In Paris Misu Negritoiu had official talks with the French minister of economy and finance, the chairman of the Employers Association Council, with the OECD general secretary and businessmen.

Defense Minister Discusses Visit to Israel

AU0302200193 Bucharest COTIDIANUL in Romanian 28 Jan 93 p 4

[Interview with Defense Minister Lieutenant General Niculae Spiroiu by an unidentified "Voice of Israel" Radio Station reporter; place and date not given: "From a Geopolitical Point of View We Are Living In a 'Hot' Area"]

[Text] [Reporter] Mr. Minister, as far as I know, this is the first visit paid by a Romanian defense minister to Israel?!

[Spiroiu] It is true. I am the first member of the new Vacaroiu government of Romania to visit Israel and the first Romanian defense minister to do so.

[Reporter] More than that, this is even an historical moment since you are the first Romanian defense minister to visit Israel. How do you feel as a person who is making history?

[Spiroiu] Very well; however, this also brings about certain responsibilities, all the more so since I was a member of the previous two governments, too, thus I am a minister who has been a member of three governments: Roman, Stolojan, and now the Vacaroiu government. However, the responsibility of our mission is also determined by the fact that between Israel and Romania there have been political relations, strengthened by the visit that Mr. Iliescu paid to Israel and permanent diplomatic relations, maintained also in very difficult moments, something that Mr. Yitzhaq Rabin stressed during our talks. That is why, I gave particular importance to this visit, and I accepted the invitation of the prime minister and defense minister of Israel, Mr. Yitzhaq Rabin, considering it is my duty to honor this invitation.

[Reporter] You talked about the importance of this visit. How would you sum up this visit? What was the most important thing from your point of view and from Romania's viewpoint?

[Spiroiu] If you wish to know, the most important thing was the information received in the field; thus, this is an information visit, a documentation visit, and a visit aimed at evaluating the future cooperation possibilities between the two armies, on the basis of the current political relations between the two countries.

[Reporter] Talking about armies and relations between our armies, before your arrival and even after the first day of your visit, the Israeli press speculated about certain contracts between the Romanian aviation and the Israeli military industry, possibly with the participation of the ELBIT [Israeli high technology electronics company]. Can you tell us a few details about this issue?

[Spiroiu] Certainly! Such a thing is out of the question. In my capacity as minister of defense I do not deal with such things, and neither does Mr. Yitzhaq Rabin. For me it was important to have this first contact because—I would like to tell you this—the Romanian Army after the dismantlement of the Warsaw Treaty has become an army with broad prospects. We have contacts with a large number of armies, some of them even at a great distance from our country, but certainly primarily with our neighbors, with whom together we are concerned about security in Europe and security and stability in the Balkans. Thus, apart from these relations that first we have with our neighbors and with the European armies, we also have contacts with other armies. For example, I paid a visit to Thailand, and the South African defense minister visited us. Therefore, the Romanian Army is open to all directions, and it was normal to have such a contact with the Israeli Army, too, on the basis of the good Romanian-Israeli relations. These relations are also connected with the exchange of information and exchange of experience, all the more so since we are—just like all the East European countries—in the process of reconstructing our military organizations and for this purpose it is interesting to see how these things have been solved in case of other armies; we also have cultural relations, but this is the only type of contacts we have and nothing else.

[Reporter] Have you brought a message from your president or prime minister?

[Spiroiu] Yes, I have carried a message from President Ion Iliescu and from Prime Minister Nicolae Vacaroiu, sent to the prime minister and the minister of defense of Israel Yitzhaq Rabin; a message of friendship that is also aimed at emphasizing the invitation that the two officials conveyed to Mr. Yitzhaq Rabin to visit Romania. Therefore, now I repeat this invitation, and I hope that Mr. Yitzhaq Rabin will find the necessary time to pay a visit to Romania.

[Reporter] Has the invitation been accepted in principle?

[Spiroiu] Yes, in principle the invitation has been accepted. As a matter of fact, the invitation was accepted before, but I repeated it, and I hope that he is going to be the guest of Mr. Vacaroiu, the prime minister of Romania, and certainly, of the minister of defense, in his capacity as Israel's defense minister.

[Reporter] Mr. Lieutenant General, many of our listeners did not know that you are an engineer, but you told us before that you have also a degree in engineering. However, as a general or a professional military man, how was your meeting with General Rabin? I suppose you also had the interest of a professional nature in this meeting?

[Spiroiu] Certainly! It was most interesting. I was impressed by, so to say, the precision and the very concrete way in which I could have an exchange of ideas with him, in connection with various very important areas, certainly regarding the activity of military organizations. During a cocktail party that he offered the day before yesterday, I was impressed by the precision and thoroughness with which he approached—it seemed to me with great pleasure—issues of common interest in the two armies, such as solving various problems with the national defense.

[Reporter] You mean purely military issues?

[Spiroiu] Absolutely, we discussed ways to conceive or organize the training of officers, how young people are being trained in Israel and how they are trained in Romania, and I was impressed by the very concrete nature and very documented way in which he answered my questions.

[Reporter] Mr. General, if you allow me to pass from military issues to political issues, I would like to ask you how you view relations between Israel and Romania and Romania's place in East Europe?

[Spiroiu] I would like to tell you that in my discussions with Prime Minister Yitzhaq Rabin I briefed him about the situation in which the new Vacaroiu government started to fulfill its mandate and about the economic, social, and political situation in Romania, this being a what I could call a very important chapter in our discussions. I believe that in the process of transition from a totalitarian regime to a democratic regime, from a regime with the strictly and perfectly controlled centralized economy to a market economy, to a social care program that is typical to democratic countries that Romania has embarked upon—all these things are areas that Romania and Israel should currently cooperate, on the basis of continuous relations that have existed between the two countries. I noted with great pleasure that Prime Minister Yitzhaq Rabin discussed the special relations that Israel has with Romania in supporting the democratic process in Romania. The Vacaroiu government continues the reform policy in Romania and wants this reform to be more direct. This means that the government should be more intensely involved in administering the state patrimony because in our

country the greatest part of the patrimony belongs to the state. Privatization started in areas that include the light industry, small-scale production, trade, and small-scale trade and less in the strong sectors of Romania, which, for the time being, are searching for their way toward privatization.

[Reporter] How do you feel as a military person in a civilian government in Romania?

[Spiroiu] Certainly I feel good for two reasons. First, because in Romania there is a tradition that the defense minister should be a professional military person. In the more than 100 years—maybe 133 years—in the history of the modern Romanian Army, there have been only three or four civilian ministers, one of whom was even prime minister and minister of defense, namely Arman Calinescu. Thus, we have a tradition in this respect. The second thing is that there are processes of renewal within the Army, and there is this process of Army restructuring going on which requires a professional. To all this, one has to add the tension in our area. Let us not forget that Yugoslavia is very close geographically, and you can see how things develop there, and the Dniester region is also quite close—thus, ours is an area of tension from a geopolitical point of view. Thus, the geopolitical area in which we live is full of tension and hot areas, and currently it is good to have a professional at the helm of the military body. That is how the parliament saw the issue and all political forces considered that it is better to have a military person at the helm of the defense ministry. Therefore, I feel very well among my civilian colleagues; I have no problems, because I am busy in my field. In this I am also assisted by the fact that I have a technological education and being a member of the technical personnel of the Army I represent, if you wish, a person who makes the transition toward a political person, toward a civilian who can lead the Ministry of National Defense. However, that is the reason why the ministry has to be restructured so that a political man could be at its helm, and we are about to achieve this.

Vacaroiu Briefs Cabinet on EC Talks

AU0302164693 Bucharest ROMPRES in English 1528 GMT 3 Feb 93

[Text] Bucharest ROMPRES, 3/2/1993—Premier Nicolae Vacaroiu told a February 3 cabinet meeting that the signing of the association agreement between the European Community and Romania was an important step in Romania's integration in the European political and economic structures. The head of the executive mentioned that the Romanian delegation had a fruitful dialogue in Brussels with high officials of the European Communities, that proved to have been aware of the progress made by Romania in the democratization process.

Premier Vacaroiu announced that he had asked for assistance form EC, which, for its part, expressed willingness and forwarded a number of proposals for the speeding up of the ratification of the said agreement, for the rapid enforcement of the interim agreement, and for Romania to be granted urgent aid consisting of foodstuffs.

The executive was presented a report on the importation of sugar from China, part of which has been infested. The premier asked for further inquest into this matter and for advice from the Food Department concerning the way the said sugar can be used in industry.

Silajdzic To Attend Security Council Session

AU0302122593 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 0900 GMT 3 Feb 93

[Text] As has been decided, at the forthcoming session of the UN Security Council Bosnia-Hercegovina will be represented by Foreign Minister Haris Silajdzic. This was confirmed at the meeting of the Presidency of Bosnia-Hercegovina and representatives of parliamentary parties, which was chaired by Presidency President Alija Izetbegovic. The work of our delegation to the Geneva negotiations and the position of Bosnia-Hercegovina in international relations were discussed at the session.

Karadzic Says Serb Peace Position 'Consolidated'

LD0302173493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1603 GMT 3 Feb 93

[Excerpt] Belgrade, 3 Feb (TANJUG)—The Serbian side expects that the peace negotations on the constitutional reorganization of Bosnia-Hercegovina will continue under the auspices of the UN in a more positive atmosphere without solutions being imposed, President of the Serbian Republic [of Bosnia-Hercegovina] Radovan Karadzic said on the eve of his departure for New York. "Our peace policy has consolidated our negotiating position while Croatia has lost its political points by carrying out aggression against the Republic of Serbian Krajina," Karadzic stressed in his statement to TANJUG.

Hoping that talks will follow a different course from the one they have followed so far, which has been characterized by unjust and unilateral pressures on the Serbian side alone, Karadzic also voiced certain reservations. "The international community will perhaps acknowledge in bilateral talks that we are victims and that Croatia's conduct is unacceptable but at the moment the Croats still have powerful mentors," he explained and added that Croatia's conduct "is not independent" and that "it did not carry out its the aggression without an outside blessing."

In Karadzic's view, this move was a hook for Yugoslavia since it was expected to get involved in the confrontation, but, he added, Yugoslavia was wise enough not to swallow the hook, not to get involved. "Croatia has evidently, brutally and flagrantly flouted the UN resolution." In Karadzic's words, "its mentors will have to alter their policy because of this."

"Croatia will have to explain why it attacked the Republic of Serbian Krajina while the Muslim side will have to explain its offensive along the Drina river, that is, why they are firing if we are to reach political agreement on territorial demarcation," the president of the Serbian Republic stressed.

Commenting on Muslim leader Alija Izetbegovic's refusal to come to the session, Karadzic said that he believed that this was again some political trick of his. "He aims to entice us into refusal, so as to accuse us of failing to cooperate." On the other hand, in Karadzic's view, none of the outcomes of this political situation is beneficial to Izetbegovic. [passage omitted]

French UNPROFOR Soldier Seriously Wounded

LD0302161793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1512 GMT 3 Feb 93

[Text] Belgrade, 3 Feb (TANJUG)—A United Nations Protection Force [UNPROFOR] armored personnel carrier transporting French UNPROFOR troops hit antitank mines around 1300 on 2 February near the village of Komande in sector north (Banija, Kordun), TANJUG learned via UNPROFOR headquarters in Belgrade.

The driver of the personnel carrier sustained serious injuries when two mines exploded under the vehicle. Three more mines were found on the same road, UNPROFOR said. UNPROFOR headquarters were not able to report who planted the mines. So far 26 UNPROFOR soldiers have been killed while 337 sustained injuries on the territory of former Yugoslavia.

Serbs Charge Four UN Observers With 'Espionage'

AU0302170293

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1400 GMT on 3 February carries in its regular 43-minute newscast several reports on the fighting in the republic.

Enes Osmancevic reports from Tuzla that "the Command of the Second Corps of the Bosnia-Hercegovina Army and the headquarters of the military observers in Tuzla have confirmed that in Doboj chetniks have arrested four unarmed U.N. military observers and their interpreter and charged them with espionage. The four military observers and their interpreter have been transferred from Doboj to Banja Luka."

The studio announcer says that "8 people have been killed and 34 wounded in Sarajevo over the last 24 hours."

The Vogosca Press Center reports that "the day is passing in relative quiet on this front. This morning's shelling of Hum and Hum Hill stopped at about 1200."

Halilovic Protests Against Serb Air Attacks

AU0302195093 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 3 Feb 93

[Text] The aggressor's air force yesterday violated several times the stipulations of the U.N. Security Council resolution on the ban of flights over the territory of the Republic of Bosnia-Hercegovina. This is said in the protest that Sefer Halilovic, Supreme Commander of the

Headquarters of the Bosnia-Hercegovina Armed Forces, lodged today with UNPROFOR [UN Protection Forces].

On 2 February, one aggressor's fighter aircraft flew over the air corridor on the route Doboj-Gradacac. Frequent flights of the aggressor's combat and transport helicopters have been observed in this region. At 1330 on 3 February, two of the aggressor's Jastreb fighter aircraft dropped, in two sweeps, cluster bombs and missiles [raketno zrno] on the area, and strafed the civilian population. Three of the aggressor's helicopters flew on the route Brcko-Celic-Lopare at around 2000 and 2100. These planes and helicopters take off from the territory of the Republic of Serbia, from the airports Ponikve and Kraljevo. These activities of the aggressor's air force are proof that the Serbian-chetnik aggressor is violating the U.N. Security Council resolution on the ban of flights over the territory of the Republic of Bosnia-Hercegovina, and that the aggression from the territory of Serbia is continuing with undiminished intensity, says the protest by Commander Sefer Halilovic.

Assembly Asks UN To Stop 'Aggression'

AU0302202593 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 3 Feb 93

[Text] The deputies in the Bosnia-Hercegovina Assembly have sent a letter to the UN Security Council from their regular session today, expressing their dissatisfaction with the proposals presented by the cochairmen of the Geneva conference, particularly with the maps and the document on the transitional form of authority. That, the letter says, is an attempt to impose an orthodox ethnic division of Bosnia-Hercegovina and abolish the legitimacy and continuity of the legally, directly,and democratically elected bodies of authority of an internationally recognized state and member of the United Nations.

The deputies in the Bosnia-Hercegovina Assembly ask that the Security Council demand respect and observation of the UN Charter, the Security Council resolutions, and recommendations by the UN General Assembly. Representing the citizens of Bosnia-Hercegovina, the deputies demand that all available means be used to stop the aggression against Bosnia-Hercegovina. The deputies support the future constitutional principles of Bosnia-Hercegovina, which have been accepted by the Bosnia-Hercegovina state delegation, but stress that these cannot be interpreted from the position of force, crime, and narrow and extreme nationalistic interests.

Muslims, Croats Present 'Unified Front'

AU0302175093 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 3 Feb 93

[Excerpt] The Bosnia-Hercegovina Ministry of Internal Affairs has issued a statement which, among other things, says:

After the aggressor's failed attempts to create a rift between the Muslims and Croats in central Bosnia, the enemy is now trying to use the same recipe to weaken the common defense front of the patriotic forces in the zone of responsibility of the Bosnia-Hercegovina Army Second Corps and the Tuzla Center of Security Services. However, according to the information we have available, the defenders of Tuzla, Kalesija, Orasje, Maglaj, Gracanica, Gradacac, Srebrenik, Brcko, Tesanj and other places in this region are having extraordinary successes on the battleground, presenting a joint and unified front under the command of Zeljko Knez, commander of the Bosnia-Hercegovina Army Second Corps. [passage omitted]

Serbian Artillery Continues To Hit Mostar

LD0302141793 Zagreb Radio Croatia Network in English 1305 GMT 3 Feb 93

[Text] Serbian forces have twice today attacked Mostar with artillery fire. Fighting started before 0900 this morning along the whole of the front in the region. More than 100 shells are reported to have fallen on positions of the Croatian Defense Council and the Bosnian-Hercegovinian Army so far today. The defenders are reported to have been returning fire and holding their positions.

Commentator Assesses Izetbegovic's Leadership

AU0302204093 Zagreb VJESNIK in Serbo-Croatian 29 Jan 93 p 2

[Commentary by Domagoj Draskovic: "Farewell to Brains"]

[Text] Who is in charge of the Muslim policy in Bosnia-Hercegovina? What is their policy like? Do the Muslims in Bosnia-Hercegovina want to create a unitary state or are they—in accordance with the Geneva documents—prepared to accept the fact that three constituent peoples with their clearly defined rights live in Bosnia-Hercegovina? These questions have been raised particularly because of the latest dramatic events in central Bosnia, the region torn by heavy clashes between the Army of Bosnia-Hercegovina and the Croatian Defense Council. This fact has deeply upset many foreign leaders, especially those who are involved in the process of finding a peaceful solution to the conflict in Bosnia-Hercegovina.

It must be admitted that certain answers to these questions and doubts have also been offered by Muslims themselves, but after they have been explained, the only commentary can be: "Farewell to brains!" Whereas Sefer Halilovic, the man in charge of the Army of Bosnia-Hercegovina, claims in an interview with Spanish journalists that his Army can approve of nothing else but of a unitary Bosnia-Hercegovina, thus equally warning the Croatian Defense Council and Europe, which could oppose such plans, Alija Izetbegovic and Ejup Ganic [Presidency member] as politicians say something else.

While Sefer Halilovic [Bosnian commander] impudently threatens new clashes, Alija Izetbegovic makes an agreement with Mate Boban [Croatian leader in Bosnia] and orders a halt to all military actions of the Army of Bosnia-Hercegovina against the Croatian Defense Council. At the same time, Ejup Ganic, undoubtedly the second man of the Muslims in Bosnia-Hercegovina, claims in an interview with Voice of America that there is not a single problem between the above mentioned armies that could not be solved peacefully by joint agreements. Everybody is definitely confused by these statements. Does Alija Izetbegovic have control over all the units of his Army, that is to say is he still the commander-in-chief of his Army? The second unknown is undoubtedly Sefer Halilovic and his followers—it is not clear whether they recognize the political leaders of the Muslims in Bosnia-Hercegovina. It could be concluded from such contradictory statements and actions that a part of the military commanders and certain units of the Army of Bosnia-Hercegovina are disobeying the political leaders and pursuing their own policy. Under these circumstances Alija Izetbegovic is trying to convince the world that he is the leader of the state of Bosnia-Hercegovina, as well as of the Muslims living there. If he really believes in what he preaches, it is obvious that there is a possibility of a coup—taking into consideration Halilovic's behavior. If, on the other hand, Halilovic is acting according to Izetbegovic's instructions, this means that the leader of the Muslims in Bosnia-Hercegovina has brought his political and moral credibility to the lowest possible point. Only the unfolding of events will show whether Izetbegovic or Halilovic is in charge of Muslim policy in Bosnia-Hercegovina.

Commentator Notes Shift in Izetbegovic's Policy

AU0302210793 Zagreb VJESNIK in Serbo-Croatian 3 Feb 93 p 2

[Commentary by Stjepo Martinovic: "Waiting for a Storm"]

[Text] The president of the Presidency of Bosnia-Hercegovina has definitely decided "not to be present" at the New York continuation of the Geneva conference that called for peace and a new state structure for his country. "Our fate will be decided here. It is necessary for us to be present here. I am afraid we are paying too much attention to what the world thinks about us, but we are neglecting the settlement of problems here...," Alija Izetbegovic told reporters in Sarajevo. He thus watered down the Muslim representation at the moment when the two cochairmen are transferring the problem to a higher level, revealing that the center of his policy—because of his inability to impose on Vance and Owen his project of the unitary Bosnia-Hercegovina as equally competitive as theirs—is returning to the amphitheater of war.

Izetbegovic's first decision is a message to the United Nations and the EC that what he has been offered so far is not worth his sitting around conference halls and that it smells of the legalization of "ethnic cleansing" to the extent that he is not willing any more to contribute to the legitimacy of this diplomatic fair, not even by his physical presence.

Shifting the focus of the Muslim strategy from the international crisis laboratory to domestic front lines clearly has to be understood as commitment to war—until the correction of the Serbian occupation results and the annulment of the 10-province map of Bosnia-Hercegovina by Vance-Owen are reached. However, this also means pushing Croats to several minority islets in a Muslim sea.

We would not like to speak about the political acceptance of Izetbegovic's "no" to the UN and EC plan, because there are no longer any unknowns here. The only question that remains is: With which (or whose) stick behind his back is Izetbegovic going to accomplish his "alternative?" Or, to be more direct and rude: Which international factor would be prepared or would be willing to and would dare to give Izetbegovic the green light for the creation of a Muslim state on the whole territory of Bosnia-Hercegovina?

Not knowing the (possible) secrets, an answer can be sought among three known facts. By leaving the alliance with Croatia,—and a reason for this has always been easy to find, sometimes (unfortunately) even in cooperation with the latter—the Army of Bosnia-Hercegovina has became an army in its own war. [sentence as published] Concluding that Geneva talks have reached an impasse, the Islamic Conference announced "actions at the UN Security Council level." Clinton's administration, agitated about the fact that Vance and Owen dropped their premature baby in front of the door of the East River palace, "is considering a possible military action more seriously and concretely than its predecessor."

Did Izetbegovic stay at home waiting for the "storm" of intervention to come and restore Bosnia-Hercegovina?

Colombo Assures Izetbegovic of Italian 'Solidarity'

AU0302163093 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 3 Feb 93

[Report by Predrag Smoljan on talks between Bosnia-Hercegovina President Alija Izetbegovic and Emilio Colombo, Italian foreign minister, in Sarajevo on 3 February—recorded]

[Text] In the Bosnia-Hercegovina Presidency building, Emilio Colombo, Italian foreign minister, handed over to President Izetbegovic the official document on the establishing of diplomatic relations between Italy and Bosnia-Hercegovina, and expressed his full support for the efforts to find a peaceful solution to the clashes in our republic. Let us hear what Emilio Colombo and Alija Izetbegovic stated after the talks.

[Colombo in Italian with superimposed Serbo-Croatian] I am here in Sarajevo, in Bosnia. I came primarily to pay tribute to the president of Bosnia-Hercegovina. On this occasion I brought with me the Italian document which I have handed over to the president. With this document, Italy establishes diplomatic ties with Bosnia-Hercegovina. We have spoken about the talks in Brussels officially today [words indistinct]. Another fact [words indistinct] actions speaker louder than words. We have reached a definite agreement on building a camp for refugees that have escaped to Fojnica. A regular camp [words indistinct]. We believe that (?help) for the refugees should be organized not outside Bosnia-Hercegovina but inside it. We are [word indistinct] many refugees in Croatia and Slovenia. This is another way with which we would like to solve the problem. And finally, and most important, I expressed my pleasure to the president that we had a chance to exchange our thoughts on this difficult and controversial situation [words indistinct] through dialogue. How, in which way, through what means [words indistinct] of the mediators which we support, but we know what the reservations are. I gave the president my best wishes and expressed the solidarity of the Italian president, the government, and my own. I believe that the president is one of the most concerned people in the world. He has our solidarity.

[Izetbegovic in Serbo-Croatian with superimposed Italian] Yes, you are right, at least as far as the assessment of my position is concerned. [words indistinct] We had talks about [words indistinct] which went on for one hour and a quarter. So we had time just for a very short conversation. I took the occasion to inform Minister Colombo about our position, about the talks in Geneva and, of course, about the forthcoming session of the Security Council. I particularly [word indistinct] of his support when it comes to [words indistinct] the realization of [words indistinct]. We also discussed the instruments, the mechanism with which the implementation of the peace plan would be secured, if ever there is peace [word indistinct]. We agreed that the international forces should guarantee [words indistinct]. I stressed that when we speak of peace, we mean a just peace. In our opinion, what we have been offered now is not an offer of just peace. Of course, I expressed my gratitude to the Italian people, [words indistinct] for what Italy has done and is continuing to do for [words indistinct] for its support, political support of the independence and integrity of Bosnia-Hercegovina. That shows the [words indistinct] of diplomatic relations. And of course, particularly the concrete help which is not just words but deeds, and which consists in building the refugee camp in Fojnica, and their willingness to accept a certain number of the wounded, about which we will, of course, [words indistinct].

Poor Hygiene Causes Unchecked Hepatitis Epidemic

AU0302174493 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 3 Feb 93

[Text] According to the information from Srebrenica, Zepa, Foca, Maglaj, Mostar, Tuzla and Sarajevo, 20 people were killed yesterday, while 18 died of hunger in Srebrenica. The republic's Headquarters for Health and Social Security of the Bosnia-Hercegovina Citizens says that 82 people were wounded.

The serious epidemic situation reflects the poor hygienic conditions, caused by the lack of water, electricity and means for heating. The epidemic of infective hepatitis still remains unchecked, while there are some 60 sporadic cases of enterocolitis and three cases of dysentery.

The Sarajevo hospitals urgently need oxygen, nitric oxide [azotni oksid] and fuel, while the cut-off communes of Gorazde, Srebrenica and Zepa are still waiting for food, medicine and sanitary materials.

Silajdzic Complains About Arab Presence

93AE0273B London AL-HAYAH in Arabic 15 Jan 93 pp 1, 4

[Article by Samir al-Sa'dawi: "Bosnia's Foreign Minister to AL-HAYAH: Presence of 'Arab Afghans' Damaging to Us; Clinton Administration More Sympathetic Than Bush Administration"]

[Text] London—In an interview with AL-HAYAH yesterday, Bosnia-Hercegovina's Foreign Minister Haris Silajdzic said that the presence of "Arab Afghans" in his country is damaging to its cause "because their presence occurs in a haphazard manner and individually, not under the UN umbrella." Silajdzic expressed optimism over Bill Clinton's assumption of power, noting that the coming administration is "more sympathetic to us" than the George Bush administration.

At a press conference in London yesterday, Bosnia-Hercegovina's foreign minister declared that "Sarajevo has become the hostage of political settlement." He also called for putting heavy weapons under UN control because it is the only step that can put an end to the suffering of Bosnia's inhabitants.

The Bosnian minister told AL-HAYAH that he will meet today with Croatian President Franjo Tudjman "to develop a solution to the very difficult situation that is embodied in the practices of some radical Croatian circles, which have begun to use Serbian methods against Bosnians." He noted the attacks launched by these radical Croatians against Bosnians.

He said that his country cannot withstand war on two fronts and expressed the viewpoint that the attacks by radical Croatians are "opportunistic" because they take advantage of the difficult circumstances being experienced by Bosnia-Hercegovina.

He also expressed the opinion that the "West offers an unacceptable excuse" for its reluctance to strike the Serbs for fear that the scope of war in the Balkan region will be expanded. He characterized this excuse as "just

words, devoid of any meaning because the scope of any war could expand. This logic does not dictate that we let people die."

Silajdzic wondered: "What do the international parties concerned want? Two hundred thousand people have been killed in this war. Do they want 200,000 more to die under the canopy of these hollow apprehensions?"

Regarding the emphasis the Western media have recently put on the role of the "Arab Afghans" (Arab strugglers in Afghanistan) in his republic, Silajdzic said: "Their number is very small, and we have not asked any of them to come to Bosnia. We have men. What we lack is weapons. I tell whomever wishes to help us that there are ways other than this way, which is damaging to us." He added: "If friendly countries decide officially to send us troops under the UN umbrella, then this is official. But when forces come to us in a haphazardly and individual manner, this does us great harm."

Asked how he expects the coming U.S. administration to deal with the crisis in Bosnia-Hercegovina, Silajdzic said that the Clinton administration "will be more sympathetic to the Bosnia issue and will deal with it more seriously. To put it simply, the Clinton administration is better for us than the Bush administration."

Hostage of Settlement

The minister opened the conference he held at the Rochester Hotel at the invitation of the Middle East Broadcasting Center [MBC] by noting that Sarajevo has become a "hostage to the political settlement" and that Bosnia-Hercegovina's hardship persists despite the Geneva peace talks between the disputing parties.

After expressing condolences to the family of the British soldier who was killed in Bosnia while performing his duties within the framework of the UN force entrusted with securing the delivery of aid supplies to the blockaded areas, Silajdzic said: "We do not want anybody to die for Bosnia. We are prepared to die, but we do not have weapons. This is the international community's fault. People are dying by the hundreds. They cannot wait for a political solution. Will the world permit Sarajevo to become the biggest detention camp known to history?" He demanded that the weapons ban on Bosnia be lifted.

He expressed the belief that the Serbs have accomplished their objectives in the war by gaining control over 70 percent of Bosnia's territories and that their recognition of this republic's sovereignty and independence will not end the ceaseless hardship and killing. Silajdzic appealed to the international community to reexamine its resolutions and to make sure that they are implemented seriously. He also stressed the need to put heavy weapons under UN control and supervision and said that he has asked British Foreign Secretary Douglas Hurd to support this proposal.

Silajdzic also expressed the opinion that the powers of the UN Forces in Bosnia "are very limited. They must be given greater powers or go home because they have failed in the duty of protecting civilians."

Tudjman Promises To Take Back Knin

AU0302215593 Zagreb VECERNJI LIST in Serbo-Croatian 1 Feb 93 p 3

[Report by M. Pejakovic-Kacanski and D. Marjanovic: "To Final Freedom"]

[Text] Split—We will embark on liberating Drnis, Obrovac, Benkovac, and Knin. The Croatian army will withdraw to the barracks only when there are no longer any armed Serb gangs and chetnik units. This was stated by Franjo Tudjman, president of the Republic of Croatia, and officials of the Croatian Democratic Community [HDZ] at a HDZ central promotional meeting for the Split-Dalmatia County the night before last. These words were received with great enthusiasm by the thousands of people gathered at Prokurativi.

Speaking about the successes of the Croatian policies, President Tudjman emphasized the will of the Croatian people to defend their country. After that he spelled out the tasks facing Croatia. Regarding the situation in Bosnia-Hercegovina, he expressed disappointment with the attack by Muslim forces on the Croatian villages and Croatian forces. His message to Islamic fundamentalists and extremists was to stop this unreasonable policy, because if they do not come to their senses, this policy will prove to be their undoing. He told them to stop all attacks on the Croatian people and repeated the view that Croatia is obliged to protect Croats there, regardless of who attacked them.

The Geneva conference on Bosnia-Hercegovina, he stressed, has ended in failure. The negotiations will continue in the Untied Nations. "The world will probably have to tame the aggressor, but it will also have to force the Muslims to accept the solution with which all three sides there would be satisfied. We are primarily interested in the fate of the Croatian regions and the Croatian people," Tudjman said.

Concluding that the peacekeeping forces have not accomplished all their tasks, energetically asserting that we will not allow anyone pull us around by the nose, and saying that we forgave and pardoned Serbs and offered them political elections, Tudjman issued a message to Serbs asking them to expel chetniks cutthroats. If they do not do that, they will experience what they experienced in the Ravni Kotari region. This statement caused euphoric approval and chanting by those present: "Franjo, Franjo, let us go to Knin."

The president repeated that we will do everything possible for a peaceful solution. If the Security Council provides us with a guarantee that the peacekeeping forces will disarm the Serbian forces, open roads, and prosecute war criminals, then we will extend their mandate for a certain period. If it does not provide this guarantee, we will do this with our own armed forces. Croatia will be what we make of it. It will be thus in Split, Hvar, Brac, everywhere...and in Knin!

At the pre-election rally at Prokurativi the night before last, which was attended by Tudjman's closest aides, the following HDZ candidates presented themselves: Zvonimir Pujic, Andjelko Gabric, Marijan Milinovic, Nadan Vidosevic, and Jure Radic. At the end of the rally, the leadership of the HDZ and Croatia, together with show business people and participants in the rally, sang "God Save Croatia!"

Tudjman Confident of Liberating Serb Regions

AU0402100793 Zagreb VECERNJI LIST in Serbo-Croatian 31 Jan 93 p 3

[Report by Mate Piskor: "Croatia Is No Longer Alone""]

[Excerpts] Karlobag—Not only have we returned the pride of the Croats, not only have we fulfilled the thousand year old dream of the Croatian people, but we have also become in a very short period of time a country on which the world can count. We can therefore be proud of everything that we have achieved, because Croatia is no longer alone. Croatia is an internationally recognized country and has its allies and friends. This is a guarantee that the Croats will manage to accomplish their aim of having their own Croatia and that every inch of Croatia will be free. This was stated by Franjo Tudjman at a large pre-election rally of the Croatian Democratic Community in Karlobag. The rally was attended by several thousand people from Karlobag, Gospic, Senj, Pag, Otocac, the entire Like, and the Croatian coast. [passage omitted]

"We Will Also Go on to Knin, Benkovac..."

Speaking about the current political situation, President Tudjman said that Croatia had to accept the UN peacekeepers so that they can prevent bloodshed and new destruction. Sarajevo and the entire Bosnia are the examples of what could have happened in Croatia if we had not acted in that way, if we had not been wise. Therefore, we had to make this sacrifice, we had to accept that a third of Croatia be under UN protection. At the same time we knew that we must prepare ourselves: if the actions by UNPROFOR [UN Protection Force] and political pressure on the aggressor do not yield results, Croatia will liberate every inch of its occupied territory with its own forces.

Replying to the calls from the crowd of people from Lika and the coast, "Let us go on to Knin, let us go on to Knin," President Tudjman said: "We will go on to Knin, Gracac, Obrovac, Benkovac, and all other Croatian towns held by the Serbian occupier. I promise you this in the name of the casualties that we have suffered for the freedom and independence of our country."

What chetniks experienced in the Zadar hinterland, in Maslenica and Peruca, they will experience again if they do not come to their senses and do not overthrow their gang leaders. Croatia is still offering a hand of reconciliation to Serbs, Tudjman said, but only to those who recognize Croatia as their homeland.

Apart from the liberation of the country, the president of the Croatian Democratic Community said, addressing the crowd of people from Lika gathered in front of the Zagreb hotel in Karlobag, we will also have to deal with the reconstruction of the destroyed part of the country, economic recovery, and transformation. [passage omitted]

Tudjman Speaks in Zadar on Military Successes

AU0402111493 Zagreb VECERNJI LIST in Serbo-Croatian 31 Jan 93 p 3

[Report by M. Piskor: "A Bridge for One Thousand Years"]

[Excerpts] Maslenica, Zadar—This will be a bridge for a thousand years. No one will ever destroy it again. With these words and by laying a cornerstone at Novsko gorge, a few hundred meters from where the old bridge was, President Franjo Tudjman opened work on the new Maslenica bridge. [passage omitted]

Even though the scheduled pre-election rally was canceled in Zadar because of the general alert that has been in force for nine days, many residents of Zadar came out into the streets to greet the column of cars with the Croatian president. There were tears of joy, disbelief, and enthusiasm. Enthusiasm reached culmination at the people's square in front of the city hall. Several thousands of Zadar residents came to greet the dearest guest.

In the city hall the Croatian president was greeted by his hosts Zivko Kolega, president of the city assembly; Sime Prtenjaca, vice chairman of the executive council; Davor Aras, head of the Zadar branch of the Croatian Democratic Community; and Ivan Aralica, well known writer. The citizens of Zadar presented the Croatian president with a charter honoring him with the title of the first citizens of this ancient town.

Expressing his gratitude to those who came to greet him and for the honor they expressed with this gesture, President Tudjman said that Zadar has always been and will always be the most Croatian town. This is the homeland of the Croatian state. Many people were fighting for Zadar, but it has remained Croatian. We have accomplished the aims of our existence, Tudjman said. We had to tolerate occupation, we had to accept that one fourth of Croatia be under chetniks and UN peacekeeping forces, we had to accept this because we were unarmed. Apart from wanting freedom we did not have anything else. We did not have arms to defend ourselves, nor friends to support us. Despite all obstacles we have attained our Croatia.

About a week ago, Tudjman continued, we started with the liberation of the occupied territories of Croatia here near Zadar. Every person in Croatia felt sorry hearing reports about casualties, suffering, and destruction. We were longing for the day when we were going to be free. We wanted to arrive in freedom in a peaceful way, we wanted to avoid new casualties, but could not stand any longer being pulled by our nose. And again, when we embarked on this action we had no ally. When we embarked on the liberation of our country we were even reproached by those who have so far been supporting us. However, we are succeeding. I knew from the very beginning that we will succeed and that we will have relatively few casualties. We negotiated, we appealed for reason, wanting to avoid new casualties on the Croatian as well as the Serbian side, Tudjman said appealing to all citizens of the Serbian nationality to come to their senses and get rid of the criminals and chetnik gang leaders.

I appeal to all Serbs in Croatia to lay down their arms and express loyalty to Croatia or they will otherwise fare the same fate the chetniks did in the Ravni Kotari region, Maslenica, and Peruca, President Tudjman said. Unfortunately, during the action of liberating the occupied territories in the Zadar hinterland, 21 Croat soldiers were killed and several hundred wounded. The chetniks, according to what they said themselves, had more than 800 dead. Although we know that we can win, that we can almost immediately enter Obrovac and Knin, we are still appealing to reason. We want a peaceful solution, but will not wait forever for the outlaws to come their senses.

Speaking about a considerably more difficult task facing Croatia than is the task of liberation, namely the reconstruction of the country, the Croatian president stressed that Croatia will rebuild every house between Skabrnje and Vukovar, between Murvice and Hrvatska Kostajnica. [passage omitted]

Serbs Reportedly Violate Cease-Fire in Gospic

LD0302221793 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 3 Feb 93

[Report by correspondent Krunoslav Prpic from Gospic]

[Text] The Serb aggressor has most crudely violated the cease-fire in the vicinity of Gospic this evening by provoking the formations of the Croatian Army. According to a report from the Gospic operative zone of the Croatian Army and the Gospic police station, between 1700 and 1900, chetniks based in their notorious stronghold of Novi Licki Osik opened fierce artillery fire on Stari Licki Osik from weapons that they never handed over to the UN peacekeeping forces. Seventy 82mm mortar shells, 15 tank rounds, and 15 grenades from recoilless rifles were fired. A complaint was lodged with military UNPROFOR [UN Protection Force] observers in Gospic in connection with this incident, and after 1900—most probably following their intervention—the artillery attack was stopped. The Gospic-Perusic road has been closed for traffic. There have been no reports on casualties, but material damage is most certainly enormous. There have been no other incidents in the Gospic area.

Serb Guns Hit UNPROFOR Plane

LD0302185093 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 3 Feb 93

[Report by correspondent Davor Matijasic from Karlovac]

[Text] Enemy attacks have continued and intensified on battlefields near Karlovac and Ogulin in the past few days. Two chetniks were killed and two Croatian soldiers were wounded in clashes near (Matesko Selo) village. This was revealed at a regular weekly news conference held in the command of the Karlovac operative zone of the Croatian Army today.

According to Major Marinko Marinovic, in charge of public relations, fire was opened from almost all available weapons, including small-arms, mortars, and guns, along 70 km long front. Turanj, Recica, Sisljavic, Matesko Selo, and Modruski Hebljaki came under the fiercest attacks.

Chetniks hit a UN Protection Force aircraft over Kamensko with anti-aircraft fire yesterday. Thick black smoke was seen but it is not known where it

AFP Updates Fighting in Krajina

AU0302180693 Paris AFP in English 1742 GMT 3 Feb 93

[Text] Zagreb, Feb 3 (AFP)—The Croatian port city of Zadar on the Adriatic Sea was calm Wednesday [3 February] but the Croatian Army reported armed incidents at Karlovac, only 50 kilometres (30 miles) southwest of Zagreb.

An alert sounded at Zadar on January 22 as fighting erupted between Croats and Serbs in southern Croatia was lifted Wednesday, Local authorities counselled caution, however, with schools, which resumed classes, advised to maintain security procedures and the local population warned against lingering in exposed places.

The Zadar region saw a few minor skirmishes overnight.

The lowering of tension in southern Croatia has seen an upsurge of armed incidents in the Karlovac region, Croatian Army sources said.

"Provocations by Serb paramilitary groups have intensified in the past few days and there have even been some serious attacks on the 70-kilometer (45-mile) Karlovac front line", spokesman Major Marinko Marinovic said, as quoted by the HINA news agency.

Marinovic did not indicate whether Croatian forces had riposted.

Croatian parliamentary speaker Stipe Mesic told AFP that "only the shock of a military defeat inflicted on Serbia" could lead to a settlement in Croatia and Bosnia-Hercegovina.

The army offensive in the Serb-controlled Krajina region constituted a message, Mesic said. For Serbia the message was that Croatia "will not give up an inch of its territory" and that it was "out of the question to change Croatia's frontiers".

And for the internatinal community the message was that "failing effective diplomacy, other means are available".

Plight of Krajina Refugees Discussed

LD0302170293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1200 GMT 3 Feb 93

[Excerpts] Knin, 3 Feb (TANJUG)—About 10,000 people, mainly children, women, elderly and sick, have fled areas of the Republic of Serb Krajina [RSK] attacked by Croatia, the RSK Red Cross assesses. The number of displaced people is constantly changing, and it is likely that there are even more displaced people now. A number of people have reached Kistanje and Knin in their search for safety and peace.

The majority of displaced people, about 5,600, are in the Benkovac municipality. A number of them are now leaving in an organized fashion. [passage omitted] There are about 2,500 displaced people in Obrovac and nearby villages. Nearly 2,000 refugees are in Knin, the RSK Red Cross has revealed. [passage omitted] The Knin branch of the Red Cross urgently needs toiletries because displaced people were not able to take any personal possessions with them.

Deputy Foreign Minister on Fighting, UN Mandate

LD0302180393 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 3 Feb 93

[Report by correspondent Albino Cehic from the Republic of Croatia Foreign Ministry]

[Text] Deputy Foreign Minister Dr. Ivo Sanader has received a group of Italian journalists who are reporting on the visit by Italian Foreign Minister Emilio Colombo to Croatia and Bosnia-Hercegovina.

In a brief introductory speech, Dr. Sanader briefed the Italian journalists about the political situation in Croatia, dwelling especially on the activity to prepare the terrain for the construction of a bridge across the Maslenica Straits.

The Italian reporters asked Dr. Sanader and his associates whether Croatia will try to use force to liberate the occupied territories. The answer is that there is no talk about this and that Croatia will endeavor to resolve everything through negotiations. The Maslenica action was specific and carried out with the knowledge and support of the international community.

Asked whether the mandate of the UN Protection Forces [UNPROFOR] will be extended he responded affirmatively, but particular attention will be paid to deadlines which will have to be observed by all sides, while the basis for everything is the peaceful resolution of present problems. So far UNPROFOR has managed to prevent a war in Croatia, but much more should be done.

It is in the interest of Croatia that Bosnia-Hercegovina be an independent state and, as a neighbor, enjoy peace as soon as possible.

Italian Foreign Minister Emilio Colombo is to meet Croatian President Dr. Franjo Tudjman in approximately half an hour. He will then make a news statement prior to his departure from Croatia. Since the Zagreb meeting is taking place at the request of the Italian side, the topics of the talks are unknown apart from the general situation in the Balkans.

Daily: Croat Hospitals Refusing To Treat Muslims

LD0402120193 Belgrade TANJUG in English 1121 GMT 4 Feb 93

["Pool" item]

[Text] Belgrade, Feb 4 (TANJUG)—Croatian authorities have ordered their hospitals not to treat Bosnian Moslems wounded in battle, the Belgrade daily VECERNJE NOVOSTI writes on Thursday [4 February].

The Croatian Health Ministry has circulated an order to the hospitals that health insurance covers only the treatment of Croats wounded in the Bosnian war, and that hospitals must not receive wounded Moslems.

Moslems and Croats were allies at the outbreak of the ten-month-old civil, ethnic and religious war which is wracking Bosnia-Hercegovina and which has pitted the local Moslems and Catholic Croats against Bosnia's Christian Orthodox Serbs. However, Moslems and Croats have fallen out and have been waging bloody battles in central Bosnia for the past month.

Daily Says Croatia Reopened 'Concentration Camps'

LD0402110293 Belgrade TANJUG in English 1038 GMT 4 Feb 93

[Text] Belgrade, Feb 4 (TANJUG)—Nothing is known about the fates of at least 80 Serb civilians who disappeared after Croatia launched its latest aggression on the Republic of Serb Krajina (RSK), the Belgrade daily VECERNJE NOVOSTI writes on Thursday [4 February], adding that it if they are at all alive they could be in concentration camps.

The daily claims that the Croatian authorities have reopened concentration camps in Zadar and on the Island of Pag and interned Serbs in them.

Tens of thousands of Serbs were killed in the camp on Pag, which was run during the Second World War by the then Independent State of Croatia (NDH), a quisling state set up with Nazi patronage.

The missing civilians—mainly women and children—lived in the Serb villages of Islam Grcki, Islam Latinski, Smokovic, Crno, Murvica, Zemunik Gornji and Kasic, which the Croatian Army has burned and levelled.

About one thousand people, including 830 civilians—women and children—have been killed in the Croatian aggression on Adriatic hinterland villages in the RSK, which began on January 22.

About one million Serbs, Jews and Gypsies were killed during the Second World War in the NDH—700,000 were brutally murdered in the Jasenovac concentration camp alone.

Drnovsek Reviews Davos Talks on EFTA, NATO

AU0202203693 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Feb 93

[Text] Slovene Prime Minister Janez Drnovsek held a news conference this morning at which he spoke in detail about the talks he had at the World Economic Forum in Davos. Two issues prevailed: the security-political situation in Slovenia and the war in the neighborhood and Slovene economic links within the European economic arena. Nadja Pengov reports on the news conference:

[Begin recording] [Pengov] First the first topic: It is the general assessment that the crisis is going to continue. There is obviously uncertainty about what to do to stop the war from spreading further into Kosovo and Macedonia. In this respect, the meeting Dr. Drnovsek had with NATO Secretary General Woerner is very important. Drnovsek informed Woerner on the Slovene position and asked him about cooperation between NATO and Slovenia.

[Drnovsek] Slovenia obviously finds itself at the border of the crisis area and is certainly interested in joining in a collective security system. Mr. Woerner said that various possibilities for cooperation will be studied and asked me to make a visit to the NATO headquarters in Brussels soon, where we may continue these talks and probably assess what forms of cooperation will be most suitable. I invited Mr. Woerner to visit Slovenia, which would probably take place after my visit to Brussels.

[Pengov] Drnovsek also said in this respect that Slovenia is particularly interested in air defense. He did not talk with Woerner about Slovene membership in NATO, as this is a long-term issue which has not yet been settled in Slovenia.

The other topic which Drnovsek discussed at length in Davos involved economic and trade links of our country with Europe. It was established that the talks concerning Slovenia's associate membership in the EC are going to continue. Links with the EFTA [European Free Trade Association] are a special question. The Nordic countries have concentrated their entire efforts on their entrance into the EC, which they expect to happen by 1 January 1995, therefore the EFTA fails to interest them much. Not everyone shares that opinion, however:

[Drnovsek] The situation is different with Switzerland, for example. After the failure of its referendum on joining the EC, Switzerland is seeking different roads, as well as a new significance and role for EFTA. I had talks with the most senior Swiss representatives about Slovenia's wish to become an EFTA member. I received their great support and understanding, and we agreed that both sides are going to try to support establishment of a free trade zone with EFTA and full Slovene membership in EFTA.

[Pengov] Switzerland is convinced that EFTA will exist after 1995 and Slovenia meets the criteria for catching the train for this organization, which is at the same time the quickest and probably the only way to join the EC. Therefore, this will be one of the major tasks, Drnovsek said, although [word indistinct] conditions it would be realistic to expect for our state to become an EFTA member by the end of this year. [end recording]

Federal

Assembly Chambers Elect New Chairmen

AU0302153093 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 3 Feb 93

[Report by Mirjana Protic on first session of the Federal Chamber]

[Excerpts] The first sessions of the new Chamber of Citizens and the Chamber of Republics of the Federal Assembly were chaired by the oldest deputies, Desimir Tosic from the Democratic Party and Vojislav Dimitrijevic from the Serbian Radical Party.

In the first part of its session, the Chamber of Citizens confirmed the mandates of 138 deputies, 108 from Serbia and 30 from Montenegro, who were elected at early multiparty elections in Yugoslavia. The Socialist Party of Serbia has the largest number of deputies in this chamber, 47. The Socialist Party of Serbia is followed by the Serbian Radical Party with 34 deputies, DEPOS (Serbian Democratic Movement) 20, the Democratic Party of Socialists of Montenegro with 17, and the Democratic Party with five deputies.

Radoman Bozovic was elected chairmen of the Chamber of Citizens with a convincing majority through a show of hands. Maja Gojkovic was elected vice chairwoman. [passage omitted]

The Chamber of Republic confirmed the mandate of all 40 deputies, 20 from the Serbian and 20 from the Montenegrin Assembly. The Chamber is made up of deputies from the Socialist Party of Serbia, the Serbian Radical Party, the Democratic Party of Socialists of Montenegro, the People's Party of Montenegro, and the Socialist Party of Montenegro. Milos Radulovic was elected chairman of the Chamber of Republics. Radmilo Bogdanovic was elected vice chairman.

Chamber of Citizens Elects Leaders

LD0302162693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1302 GMT 3 Feb 93

[Text] Belgrade, 3 Feb (TANJUG)—The Yugoslav Assembly today endorsed its Chamber of Citizens. Radoman Bozovic of the Socialist Party of Serbia was elected president by public vote and Maja Gojkovic of the Serbian Radical Party was elected vice president. At the same time the mandates of 138 deputies—108 from Serbia and 30 from Montenegro—were verified.

Opposition Coalition Walks Out of Parliament

LD0302150093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1324 GMT 3 Feb 93

[Text] Belgrade, 3 Feb (TANJUG)—Deputies to the chamber of citizens in the Yugoslav Assembly from the ranks of the DEPOS [Democratic Movement of Serbia] walked out of today's session of the chamber while the Assembly chamber was electing its president.

Slobodan Rakitic explained on behalf of DEPOS deputies that this was a matter of refraining from participation in the chamber's work for as long as the question remained unresolved on the validity of changes and amendments to the law on the election of deputies to the chamber of republics adopted by the Serbian Assembly on 28 January.

Health, Medical Protection Facing Collapse

LD0302195093 Belgrade TANJUG in English 1850 GMT 3 Feb 93

[Text] Geneva, February 3 (TANJUG)—The head of the Yugoslav permanent mission in the United Nations in Geneva, Ambassador Vladimir Pavicevic, on Wednesday [3 February] informed the general director of the World Health Organization (WHO), Hiroshi Nakajima, about the deterioration of health and medical protection in the Federal Republic of Yugoslavia as the result of U.N. sanctions and the ensuing political and humanitarian isolation of the country.

Pavicevic told Nakajima it was necessary for all humanitarian organizations, particularly the WHO, to become more engaged in improving the situation in health and medical protection in Yugoslavia which is faced with a collapse.

The punishment of Yugoslavia directly affects 600,000 refugees who are treated equally in the health and welfare system, Pavicevic said.

He noted Yugoslavia would receive credible support from the WHO if it realistically assessed the situation on the ground which is what humanitarian aid and oil imports for humanitarian purposes depends on.

The former Yugoslavia last year contributed some 1.7 million dollars to the WHO, and the Federal Republic of Yugoslavia accounted for 1.4 million dollars. Yugoslavia, as the successor state of the former Yugoslavia, last year had to pay contributions for Macedonia, eight-ninths of the sum for Bosnia-Hercegovina and two-thirds of the contribution for both Slovenia and Croatia.

According to WHO regulations, member-states pay only one-third of dues in the first six months so that Yugoslavia, as the successor state, last year had to pay the contributions of the former Yugoslav republics.

Serbia

Jovanovic Views U.S. Role in Conflict

LD0402115293 Belgrade TANJUG Domestic Service in Serbo-Croatian 0955 GMT 4 Feb 93

[Text] Belgrade, 4 Feb (TANJUG)—America, as the only world power, is trying to achieve domination with the help of regional powers. Since it likes to think about

the world and politics schematically, it has conceived of regional powers as minor powers while it rules the world.

Serbian Foreign Minister Vladislav Jovanovic said this in an interview in the latest issue of "INTERVJU." Minister Jovanovic was answering questions about the new world order, the role of the United States, and the position of Yugoslavia and its neighbors.

Speaking about the new U.S. Administration, Jovanovic said "it is good that it has not made any rash statements so far and that it has been resisting incredible pressures that other centers of powers—known as destroyers of Yugoslavia and leaders of a racist campaign against the Serbian people—have been putting on it."

Recalling that some leading American papers are urging the new administration to adopt stricter policies than the previous one, Jovanovic stressed that pressures are so strong that hardly anyone can resist them for long.

"We can now only wait and hope that this administration will resist these pressures and base its policies on facts, reason, and the true interests of world peace and security," Vladislav Jovanovic said.

Hungarians Ask for Vice Chairmanship

AU0302194893 Belgrade BORBA in Serbo-Croatian 28 Jan 93 p 7

[Unattributed report on the undated letter by Andras Agoston, leader of the Democratic Community of Vojvodina Hungarians, DZVM, to the President of Serbia Slobodan Milosevic: "Cubela Is Candidate for Vice Chairman of Assembly"]

[Text] Novi Sad— Leader of the DZVM Agoston sent yesterday a letter to Milosevic, informing him that he had discussed with other participants of the extended meeting of the DZVM Council the possibility offered by the president that the DZVM might designate the vice chairman of the Serbian Assembly and one member of the republic government.

Presenting the conclusions of the meeting, Agoston states that the views of the president are "a sign of the improvement" in the context of the present political situation. The situation has been marked by the "severe war propaganda against the Vojvodina Hungarians, and also silent purges have been carried out in all administration offices and state-owned enterprises. The plan of the Serbian Government regarding the violent changes of ethnic structure in Vojvodina by settling refugees in municipalities with an ethnic Hungarian majority has been also carried out, so there are no conditions for the political cooperation between the authorities and the DZVM."

Reminding that the main strategic goal of the DZVM is the politically gained tripartite autonomy of Vojvodina Hungarians, and that all representatives of the DZVM support all political efforts to reach the democratic changeover, Agoston believes that the participation of all democratic forces oriented toward the peace and creation of conditions for a democratic revival in society, might speed up the cessation of crisis. In view of such orientations, the Council of the DZVM, according to the letter, thinks that its representatives could accept the offered posts, of course under the condition that also the other democratic opposition parties participate in the new administration.

As a result of the administrated procedure, the DZVM decided to present Ferenc Cubela as candidate for vice chairman of the Serbian Assembly. However, they still do not have the government candidate, because, according to the letter, no one who had been suggested wanted to assume the responsibility, so that they need some further consultations.

Belgrade Traffic Back to Normal After Strike

LD0402095993 Belgrade TANJUG Domestic Service in Serbo-Croatian 0525 GMT 4 Feb 93

[Text] Belgrade, 4 Feb (TANJUG)—After a two-day strike by part of the city transport company, traffic in the capital is mainly back to normal this morning. Most bus, trolleybus, and tram lines are working normally. At the city assembly a news conference has been announced for 0830 today at which all details concerning the two-day strike will be disclosed.

Sanctions Causing Problems for Chemical Industry

LD0302181193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1405 GMT 3 Feb 93

[Excerpt] Belgrade, 3 Feb (TANJUG)—The chemical industry is working under extremely difficult conditions, a session of the Serbian Economic Chamber's committee for this branch of industry concluded today. Alkali production is facing great difficulties and the production of petrochemical produce, viscose, artificial fertilizers, and others has been halted. The chemical industry, which greatly depends on imports and exports for its survival, has suffered greatly from the sanctions, the session stressed.

At the moment when it is necessary to produce artificial fertilizers, producers expressed the doubt that the planned quantities would be delivered to farmers on time.

Since medications are not under the embargo, only the pharmaceutical industry has kept 1992 production at the 1991 level. Even this industry is now facing serious difficulties in getting supplies due to the lack of foreign currency. [passage omitted]

Macedonia

Minister Talks of 'Regular' Contacts With Greeks

AU0302172893 Paris AFP in English 1717 GMT 3 Feb 93

[Text] Skopje, Feb 3 (AFP)—Greek and Macedonian intelligence agents maintain regular contacts over security issues, but Athens has kept this quiet due to its dispute with Skopje over Macedonia's name, the Macedonian interior minister said Wednesday [3 February].

Ljubomir Frckovski told AFP that Skopje was not "forcing them to meet with us, but fearing domestic political trouble, the Greeks have not wanted to admit this publicly."

For the last year, Athens has used its veto in the European Community to block Macedonia's request for recognition, claiming that the title "Macedonia" can only be used by a northern Greek province, and that the government in Skopje harbors territorial ambitions against Greece.

But "each week, at the border or elsewhere, meetings have been held between our intelligence services and police," said Frckovski.

"The Greeks are playing tough on the international scene, spending lots of money on propaganda . . . but, in the background, they are trying to do everthing so we reach a compromise on the name so that our contacts can improve," the interior minister said.

He also said he thought the "worst" was over in Greek-Macedonian relations after the easing of a Greek blockade along their common border, at the south of Macedonia.

On Tuesday, Foreign Minister Mihalis Papakonstandinou seemed to signal a policy-shift when he said Greece was opposed to Macedonia's being internationally recognised "by the name of Macedonia exclusively".

Greek political journalists saw Papakonstandinou's words as indicating that Athens had shifted towards a compromise name, such as Northern Macedonia.

Assembly President Greets Greek Deputy

NC0302214193 Skopje Radio Macedonia in Greek 1900 GMT 3 Feb 93

[Text] President of the Macedonian Assembly Stojan Andov today received Alexandros Alavanos, Greek Coalition of the Left and Progress deputy, who was in charge of the convoy carrying humanitarian aid that arrived in our country yesterday.

Andov hailed this humanitarian gesture and said he is convinced that the Republic of Macedonia and the Republic of Greece must build relations of understanding and mutual cooperation that are not affected by ghosts of the past.

The president of the Macedonian assembly also received a group of forty Greek reporters who were accompanying the humanitarian aid convoy. Asked about the difficult financial situation prevailing in our country, Andov stressed that the main reason for this is the financial embargo against the Republic of Macedonia, which deals a blow to the living conditions of the people.

Scandinavian Troops Preparing Arrival

AU0302101893 Paris AFP in English 0938 GMT 3 Feb 93

[Text] Stockholm, Feb 3 (AFP)—A military advance guard consisting of 60 soldiers from Sweden, Norway and Finland will leave Sweden Thursday for Macedonia to establish a U.N. presence and supervise the area until the main U.N. contingent arrives, the Defense Ministry announced Wednesday [3 February].

The United Nations contingent in the former Yugoslav republic, which will be headed by Danish General Saemark Thomsen, is to be completed by mid-February, then totaling 682 men. Sweden, Norway and Finland are each sending a soldier platoon, as well as a combined staff and maintenance company.

Several observation posts will be set up on the borders to Albania and Serbia, which along with Montenegro forms the rump Yugoslavia, and the terrain and roads will be regularly patrolled.

U.N. forces are being sent to the area in response to U.N. Secretary General Butrus Butrus-Ghali's request that Sweden, Norway and Finland send a batallion to Macedonia to monitor the border amid fears that the war in Bosnia-Hercegovina and Croatia could spill over to Macedonia.

Republic Seen as Telecommunications Corridor

'Trans-Balkan Corridor'

93BA0456A Skopje NOVA MAKEDONIJA in Macedonian 16 Dec p 3

[Article by B.J.: "Macedonia Establishes New PTT Communications: A Trans-Balkan Communications Corridor"]

[Text] *The PTT [Post, Telephone, and Telegraph] administrations of Italy, Albania, Bulgaria, Turkey, and Macedonia recently signed an agreement in Ohrid on implementation of a new telecommunications project representing an alternative corridor as escape route from the current telecommunications blockade. More remote countries in the region have also expressed interest.*

JP of Makedonija PTT Communications has been working intensively in recent months toward securing new international communications routes making it possible to surmount the existing blockades on the main corridor to the north that has connected Macedonia to Europe and the world for years. The satellite telephone

link to Switzerland is one of these routes, but from the strategic viewpoint the East-West telecommunications corridor, concerning the creation of which a meeting of the PTT administrations of Italy, Albania, Bulgaria, and Macedonia was held recently in Ohrid on the initiative of PTT Makedonija, is certainly of the greatest importance. At the meeting a highly important protocol on mutual cooperation in the area of PTT communications was signed; this protocol should promote two-way communication between persons and economies in this area, and even beyond it, in that the postal authority of Turkey expressed tentative agreement with the resolutions of the protocol.

This so-called trans-Balkan telecommunications corridor is the shortest route for transmission of telephone pulses among the five countries concerned, but at the same time may be used for transit telephone traffic to Russia and Near Eastern countries, and ultimately to Europe. Consequently, in addition to immediate communications among the countries concerned, this corridor can yield great profits to each of the PTT administrations of these countries. The protocol calls for construction by the end of 1994 of a telecommunications link to digital telephone exchanges, which are the last word in technology, as well as an optical cable network to connect the exchanges. In order to carry out this project, all the administrations have mutually agreed to hold bilateral meetings at the expert and technician level at which existing obstacles will be removed and proposals will be drawn up. In addition, a general meeting at which results will be summed up will be held again in Macedonia by the end of May 1993. A feasibility study will also be done that will cover the technical specifications and solutions for this project. The completion periods for each of the stages will also be determined. Securing of investments for execution of the project is also scheduled to be discussed at the joint meetings, and because of the broader regional significance of the project to a larger number of countries funds will probably also be requested from international financial institutions.

From the technical viedwpoint, Macedonia is one of the better prepared countries in that it already has new digital telecommunication capacities, such as the recently opened long-distance and transit automatic telephone exchange (ATX). And it is precisely on the East-West corridor, that is, toward Albania and toward Bulgaria (as well as toward the north through Serbia) that work is being done to establish a network of optical cables by means of which Macedonia will be connected to the telephone switching centers of adjacent countries. However, PTT Makedonija states that, in addition to the most modern digital lines discussed at the Ohrid talks, an urgent problem to be solved is that of telephone communication over the existing analog telecommunications systems. As recently as this summer special protocols were signed for this purpose, and work between Macedonia and its neighbors Bulgaria and Albania are in full swing.

[Box, p 3]

Cooperation With Alcatel

A team of specialists of the well-known French telecommunications firm Alcatel-CIT recently visited PTT Makedonija. The French specialists worked with their colleagues in PTT Makedonija to explore the possibility of delivering equipment for development of a new telephone exchange for Kavadarci, whose capacity is to be 8,000 telephone connections. Work is currently in progress on the special technical aspects of executing this project, bids are being analyzed, and a contract for such a transaction is expected to be signed by the end of the week.

Alcatel will be the third world-famous telecommunications firm with which PTT Makedonija has negotiated over the last two years on facilities for the Macedonian telecommunications system. Such transactions have already been concluded with the German Siemens company (the main automatic telephone exchange for Skopje, along with the international and transit automatic telephone exchange) and with Ericcson in Sweden (for the Titov Veles and Dracevo exchanges).

[Box, p 3]

New Costs of International PTT Communications

The devaluation of the dinar last week also caused an increase in costs in international PTT communications, by an average of 30 percent, by which amount the basic accounting unit for communications of this type, the gold franc, was also increased. The gold franc recently became worth 585 dinars rather than 450. According to the new price list, an ordinary letter in international communications will require postage of 600 dinars and a postcard 500 dinars. The cost of telephone calls is also going up. One minute of a telephone call to neighboring countries that are in the first zone now costs 1,115 dinars. A call to the second zone, in which most of the Central European countries, such as Czechoslovakia, are located, costs 1,360 a minute, and to Germany and other countries in the third zone 1,610 dinars. The costs for the other four zones are much higher, but, as the PTT Makedonija points out, because of the brevity of these pulses, the equipment at PTT exchanges cannot register them.

International Communications

93BA0456B Skopje VECER in Macedonian 22 Dec 92 p 7

[Article by M. Kostova: "Macedonian Communications With Former Yugoslavia and Europe: Telephone Difficulties To Continue"]

[Text] *Currently there are direct connections only with the Federal Republic of Yugoslavia and to a slight extent with Croatia, while the disconnection from Slovenia and Bosnia-Hercegovina continues. Direct connections to*

some European countries have been partly restored, but communications with all other countries are routed through Belgrade and Istanbul. International rates for former Yugoslav countries have changed.

The beginning of the war in the territory of the former Yugoslavia had almost disastrous consequences for Macedonia's telephone communications with the rest of the world, because connections were cut off and telecommunications isolation ensued. One year later, the emergency situation in Macedonian telecommunications is continuing. Although the situation is not as serious as it was at first, the prewar connections have not been completely restored. There is full telephone service to the Federal Republic of Yugoslavia, but service to Slovenia and Bosnia-Hercegovina has been interrupted. A cluster of 12 direct connections to Croatia has been restored, but this is far from what was available earlier, when, for example, there were 120 direct connections to Zagreb alone.

As for telecommunications with Europe, direct connections with Bulgaria, Italy, and Austria have reached a normal level. Only 36 direct line clusters with Germany have been restored (there were 142 before the war), while the initial postwar capacity of 21 lines to Turkey and 60 to Switzerland was recently increased to 60 and 120 channels respectively. The direct connections to Sweden, Great Britain, and France are still interrupted. These and other countries in Europe and around the world can be reached by telephone by way of the international exchange in Belgrade, the number of lines to which has been increased to 42 outgoing and 80 incoming lines, and by way of Istanbul.

As we were told by Stevan Dzartov, director of the telecommunications division of PTT Makedonija, negotiations are now in progress on routing part of communications to Europe and the rest of the world, and especially to the former Yugoslav republics, through Switzerland, to which Macedonia has a direct satellite link. It is also planned to use this link for communications with Slovenia and possibly Bosnia-Hercegovina. Also, despite the increase in the links to the Belgrade exchange and the expansion of communications by way of Istanbul, Switzerland, and Germany by this route, there are still bottlenecks, and whether lesser or greater difficulty is experienced in getting through to a particular country depends on the capacity of the lines coming to Belgrade in this specific direction. According to Dzartov, we cannot definitely rely on this capacity, because Macedonia has had no exchange of data with Belgrade for some time now. The reason is that new relations have not been established between the two PTT administrations in order to regulate this area of cooperation on an economic basis. This matter is to be spelled out at the joint meeting to be held in the near future.

On another subject, we note that communications with Croatia (and possibly Slovenia) are routed through Switzerland, the international prefix (9938) is used in dialing, and so the rates currently charged are international ones. In calls to the Federal Republic of Yugoslavia the dialing is done as in domestic communications, but the cost is calculated on the basis of rates somewhere between the national and the international ones and is equivalent to that charged by Serbia for communications with Macedonia. A pulse repetition rate of one every five seconds rather than one every 12 seconds is currently used in calculation of charges. The highest pulse repetition rate used in charge calculation is one pulse per second, and at present charges for the most expensive zone are based on a rate of three pulses per second. According to Dzartov, in communications with the Federal Republic of Yugoslavia a switch will most probably be made to calculation based on international zones. In addition to reorganization of relations, such a transition will require expansion of part of the international facilities, and accordingly rates will be brought into line with the European system.

Effect of Sanctions

93BA0456C Skopje NOVA MAKEDONIJA in Macedonian 27 Dec 92 pp 1, 3

[Article by B. Janev: "Stiffening of Sanctions on FRY and Consequences for Macedonia: Telecommunications Blockade Threatened"]

[Text] *Measures for total isolation of Belgrade, including among other things interruption of postal communications with Serbia, have been announced at the EC ministers' meeting in Brussels. Macedonia's PTT [Post, Telephone, and Telegraph] links to the world are routed through and use the PTT facilities of the FRY [Federal Republic of Yugoslavia]. In the event of a communications blockade and its imposition on Macedonia, the only connection would be by way of the satellite station in Switzerland.*

If communications blockades are possible after all, something that after all has been imposed primarily on our northern neighbor, and the results of which are felt in Macedonia as well, will there also be a blockade in the area of telecommunications? To judge by the results of the ministers' meeting recently held in Brussels, the answer to this question is unfortunately yes. The reason is that preparation of additional measures "for total isolation of Belgrade because of its role in the civil war in Bosnia-Hercegovina" was announced in Brussels this week. These measures include among other things interruption of postal communications with Serbia, which have been exempt from previous sanctions. It is easy to see what this could mean for Macedonia and the consequences it might cause when it is remembered that almost all the PTT communications between Macedonia and the rest of the world are routed predominantly through the facilities and territory of the FRY.

According to information obtained from PTT Makedonija, all possible versions of such a communications blockade are currently being intensively studied. The consequences of such action by the international community would also be felt in Macedonian telephone and

postal communications. The greatest disruptions of communications are to be expected especially in the area of telecommunications, and there is no possibility of rapid activation of alternative communications resources. As we were informed by the telecommunications division of PTT Macedonia, our facilities and systems either are directly linked to those in the FRY, through which connections with the rest of the world are made or which merely pass through the territory of Serbia, something that is equally unsatisfactory in this case. This only exception is the satellite link with Switzerland, which will continue to be our only outlet to Europe under all the versions of telecommunications isolation of the FRY, even the worst. But the exception is only for Switzerland and through it still for Croatia, with which Macedonia currently has communications in only one direction, that is, we can call out to Croatia but no one can telephone us from this country.

As regards links by way of direct bunched telephone cables, Macedonia currently has such links with eight countries, to the west with Italy (over 24 channels, through Milan), with Austria (also over 24 channels, through Graz), and with Germany (over 36 channels, through Frankfurt), as well as the satellite link with Switzerland connecting the international exchanges in Skopje and Zurich, with a total of 120 channels. In the east we have such direct links with Turkey (over 60 channels, through Istanbul) and with Bulgaria (over 24 channels, through Sofia) and indirectly through the eastern neighbor an automatic connection with Croatia (over 12 channels, through Zagreb) and a semiautomatic link, also with Zagreb and Ljubljana, over two channels each. However, these direct links, except the Swiss connection, share the common feature that they pass through the territory of the FRY.

In addition to these connections, Macedonia is also linked to the rest of the world by the switching systems of the international automatic telephone exchange in Belgrade (where Macedonia has available 42 outgoing and 78 incoming channels, for a total of 120). This exchange is linked to more than 200 countries of the world (over approximately 1,700 channels) and forwards Macedonian telephone traffic to these countries, but in accordance with its own needs. Macedonia also has such forwarded telephone communications by way of the direct connections through Istanbul, specifically with 19 countries of the world (chiefly in Europe, but also with Australia, Canada, and the Near East). We also have international telephone communication by way of the satellite station with Switzerland, through which outgoing telephone traffic is forwarded to Croatia. But as has already been pointed out, except for this link all the switchboard and transit connections referred to are routed through the FRY.

Our republic, that is the international and transit exchange in Skopje, is also connected to our northern neighbor by way of the transit exchanges in Belgrade, Novi Sad, Kragujevac, Nis, Uzice, Pristina, and Podgorica, and through them to all the towns and cities in Serbia and Montenegro. The connections are in the form of direct bunched telephone cables over which terminal telephone communications are effected. These communications were once domestic ones in the unified Yugoslav area but are now international.

This survey of Macedonia's telecommunications links to the world gives an idea of the consequences that may be expected, depending on the origin of the links and their destination, but above depending on the communications embargo to be imposed on the FRY, and of course on the Macedonian share in it. Even if Macedonia is not included in this type of blockade, it will suffer consequences and harm due to blocking of the telephone links of the automatic telephone exchange in Belgrade to international exchanges around the world. The telecommunications artery from Skopje to Belgrade and on to the world will simply be unusable by Macedonia. There will be no telephone exchange connections to the world by way of Switzerland and Turkey, and also no direct connections to these countries or to Austria, Italy, Germany, Bulgaria, Slovenia, and Croatia. Assuming that the Yugoslav authorities decide not to resist the international community and not to cut off these links to Macedonia, we would be punished even if we were not included in the blockade. In this scenario direct telephone communications between Macedonia and the FRY effected through the transit automatic telephone exchanges would of course operate normally. But if Macedonia is included in the telecommunications embargo, as is to be expected despite everything, then the only link and outlet to the world would be the vehicle parked for several months now in front of the PTT Makedonija building, since all the country's international telephone communications facilities would be blocked.

The financial consequences of such a blockade would be enormous and irreplaceable. The first to suffer would be the PTT Makedonija, which earns 30 to 50 percent of its revenue from international telephone communications. If the terminal communications with the FRY are added, the losses would be as high as 70 percent of the revenue in this type of communications. There is no need to point out what this would mean to the economy of the country, to Macedonia's commercial and other connections with partners around the world, which would be interrupted in the face of the need for daily communication. What gives rise to the greatest fears is the fact that it appears not to be possible to resort to any alternatives in the near future. Above all there are enormous problems here in telecommunications, while the East-West corridor can somehow continue to function in postal communications.

Effect of Proliferation of Parties in Republic

93BA0453A Skopje NOVA MAKEDONIJA in Macedonian 26 Dec 92 p 13

[Article by Aleksandar Soljakovski: "Many Political Parties but Few Results; The Left Goes Right, and the Right Goes Left"]

[Text] *More than 50 political parties and associations are unable to develop a specific political structure and a clear orientation; The pains of postcommunism; Religious manipulations.*

There are more than 50 officially registered political parties and associations in Macedonia. The initial impression of this number is striking, but it triggers a sense of ridicule when we look at the political impact these parties have had in developing a democratic environment in the country.

Our country as well is affected by the pains of postcommunist societies. Political disorientation, changes in political coloring and definitions, no follow-up or uninvolvement in the implementation of their own political programs, frequent reactions changing on a daily basis, confrontation (for the sake of confrontation) with politically opposing parties... these are all features that lead to an inconsistent party policy and a great deal of wandering in unfamiliar or uncertain areas. That is why in the parliament or in political parties you will hear reports in which the right-wing will sound as though being too much to the left, populist, and equalitarian ("we all have stomachs," which was said by representative of the "most national" party in parliament [VMRO-DPMNE, Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], or statements by representatives of the party which is the successor of the communists [SDSM, Social Democratic Alliance of Macedonia]), or bitter opposition to the spelling of names in identity cards in the language of the individual ethnic groups. The most recent case is that of a liberal party, which essentially must defend and support as well as articulate the interests of a very broad strata, submitting an amendment that would require people to swear a religious oath in court, which, in itself, becomes a case of religious segregation.

It is such facts, above all, that make it impossible clearly to differentiate the left from the right. The center is absolutely fluid, although in the final account everyone is in favor of a civil society. Instead of promoting a trend toward rallying around the center, for lack of definition of the political image of our society, motivated by regional conditions and environments, the emphasis is much more on ethnicity. This is understandable, you may say, particularly when we bear in mind ethnic pressures applied from the outside, which, once again, result in national tension within the country.

Merciless Race

That is why on the Macedonian political scene left and right are not the main guidelines in party orientation. We have reached the level of a merciless race in the efforts to prove who is the greatest Albanian, Macedonian, or Turk. Even parties of strictly Yugoslav orientation increasingly find themselves in situations in which they express views in favor of national causes, something that awhile back would have clearly been considered political heresy. However, let us note, political orientations can be changed quickly from the very start, as quickly as images. For example, the "most national" party in parliament will use any pretext at all to accuse its opponents of being pro-Yugoslav, forgetting (?!) that its current political program heavily emphasizes relations within the "Yugoslav Conference."

On the other hand, in similar circumstances parties that supported the division of these areas into parts would abandon their ideas not only because of pragmatic political calculations but also because of the objective impossibility of denying feelings that, for one reason or another, are either too weak or unattainable.

The attitude toward a civil or ethnic stance is one of the main definitions of a political party. However, as we said, even essentially strongly clashing views become intertwined, as a result of which civil orientations become mired in the deep waters of ethnic feelings.

This is obviously the reason for which parties, whose programs have absolutely nothing that would lead them to adopt an ethnic orientation, would take practical political steps that would be totally ethnically oriented. One of the drastic examples in this case is that of the biggest Albanian party. Its political program does not include any indication that that party is ethnic. In practice, however, the situation is entirely different.

High Degree of Agreement in Principle

The attitude toward religion may also be seen in the context of the attitude of political parties toward the ethnic problem. After years of being pushed to the margins of society, the church (whatever its denomination) is now making use of the current circumstances to recover the ground it lost and be noted as an independent social factor. To that extent everything should be in order, for this trend would not include any purely political ambitions. However, after the first multiparty elections, the then leader of the reformed communists warmed-up to the idea of having a high-level clergyman run for head of state, something that is impermissible in the type of modern democratic country we would like to have. Following this inertial momentum of catering to the religious feelings of some strata, imperceptible efforts are being made to deeply inject spiritual into laic life. The classical principles of a civil society are being cited in support of such efforts. Deliberately or not, it is being forgotten that we have not developed such classical principles and that the current insistence on the adoption of such a model means either a step backward or an anachronism, for it is forgotten that we have several generations that were not raised in that spirit and cannot have the same attitude toward religion that prevailed in free civil societies.

A distinctive ideologization may be noted also in the attitude of the political parties in the field of economics.

Virtually not a single one of the some 50 registered parties opposes private ownership and a market economy. Furthermore, economic privatization is an

area of high accord in principle. In practice, however, as we are able to see on a daily basis, there is so much opposition that it would be difficult to achieve any agreement whatsoever. Some say that justice must prevail in privatization, ignoring the fact that, by virtue of its very nature, the conversion is unfair. That such conversion could be more or less unfair is uniformly ignored by our political factors and parties.

Whereas there are those who consider a market economy a model for ensuring quick personal enrichment, others try to set it within the limits of some kind of social uniformity, based on the methods of the previous system. The idea of a market economy assumes a very strong third position. Obviously, everyone agrees on this, and the trends toward equalization as it existed during the period of the official equalitarian system do not exist. Parties which increasingly oppose privatization, along with trends which simply claim that this is a plunder of public property, without arguing for the need to make fast decisions to block or reduce this phenomenon, are getting stronger.

The economy is as yet to become a subject of interest of our political parties. The reason now lies not only in the secondary nature of the topic but, to a much greater extent, in the ignorance of political topics by political parties. For that reason, in a time of drastic economic decline economic issues are the least emphasized in the efforts of political parties. One explanation for this may be lack of knowledge of the topic in which a high amount of demagogy is impossible to apply; another is that no one would like to plunge into something out of which no safe votes could be gained.

Be that as it may, the situation on the Macedonian political scene is not only not rosy but offers the best example of the fact that quantity does not give birth to quality and that democracy could be quite painful, particularly when its nature is not well known although it is being used for manipulative purposes.

Kosovo

Court Opens Trial of Albanians on Arms Charges

AU0302142093 Tirana ATA in English 1140 GMT 3 Feb 93

[Text] Tirana, February 3 (ATA)—The court of the Prizren began on February 2 another judicial process against the Albanians. The violent Serbian court has accused 20 other Albanians of keeping arms without permission and then selling them.

This is a process staged by the Serbian authorities with propaganda aims, trying to show that allegedly the Albanians of Kosovo are engaged in arms trafficking.

Local Police Clash With 'Arms Smugglers'

LD0302173193 Belgrade TANJUG in English 1608 GMT 3 Feb 93

[Text] Vranje, Feb 3 (TANJUG)—A four-member ring of ethnic Albanian arms smugglers have opened fire on a police patrol resisting arrest on the Bujanovac-Gnjilane road near Lucani in the Province of Kosovo.

One attacker was arrested while three escaped, Vranje District Attorney Srboljub Stefanovic said on Wednesday [3 February]. Police recovered three automatic rifles and 50 bullets from Hasani Benjamin, 23, now held in detention. The three on the run are Rasid Rasiti, 22, Moharem Redzepi, 24, and Jofes Sachiti, 30. All of them come from Veliki Trnovac near Bujanovac in Kosovo. Warrants for the arrest of three arms smugglers have been issued, while investigation is in progress.

The province of Kosovo in Serbia's south is populated predominantly by Albanian national minority whose political leaders want to merge the province with Albania. Police say that arms and narcotic drug smuggling has long been a source of financing the separatist organizations of ethnic Albanians.

Commentary on Attempts To Create New Crisis

LD0302145793 Belgrade TANJUG in English 1418 GMT 3 Feb 93

["Pool" item—by Nadja Milutinovic]

[Text] Belgrade, Feb 3 (TANJUG)—Peace reigns in the southern Serb Province of Kosovo and Metohija, but one could not conclude any such thing if one listened to the incessant appeals of the Kosovo Albanian separatist leaders to the United Nations to send peacekeeping troops to the province.

The Western media, particularly German and Austrian, have been persistently preparing their public that the Serbs will begin conquering Kosovo and Metohija, although the province has always been an integral part of Serbia.

The Pristina daily BUJKU has for the umpteenth time on Wednesday [3 February] informed ethnic Albanians that self-styled Prime Minister of the "Kosovo Republic" Bujar Bukoshi asked the U.N. to send its peacekeepers to Kosovo. Bukoshi believes that 4,000 "blue helmets" would be able to prevent "the Serb forces' invasion" of the province.

BUJKU carried a statement of neighboring Albania's President Sali Berisha, who said he feared the danger of a Serb-Albanian war and imputed to Serbia's President Slobodan Milosevic the initiative for the outbreak of bloodshed.

In the latest issue of the Pristina Herald FJALJA, Ibrahim Rugova, the leader of the so-called Democratic

Alliance of Ethnic Albanians and the self-styled president of the "Kosovo Republic", also expressed his wish that conflicts flare up in Kosovo and Metohija (and neighboring Macedonia) and pledged the eruption of a new Balkans war.

Rugova, of course, has not abandoned the idea of an independent Kosovo and the creation of a greater Albania. He said that, during his recent trip to the United States, the new U.S. Administration had allegedly promised him it would engage itself in the Kosovo and Albanian issue.

The statements made every day by the leaders of neighboring Albania prove that the Kosovo Albanian leaders are not alone. Albania's Defense Minister Safet Zhulali said during his visit to Budapest on January 28 that his country urged the demilitarization of Kosovo and the deployment of the peace troops there. He did not say how an integral part of a sovereign country could be demilitarized without its consent but he did cast doubt whether Kosovo and Metohija is a part of Serbia.

New Dutch Foreign Minister Pieter Kooijmans has joined in preparing the world public for an opening of a new hotbed of crisis in the Balkans, for which the Serbs would inevitably be blamed again.

During a lecture in the Royal Institute of Military Studies in early January, Kooijmans urged the deployment of the U.N. peacekeepers in Kosovo and Metohija as a "preventive measure" to thwart a Balkan war.

Citing a study by the Swedish Traditional Organization for Peace and Future Research, BUJKU revealed what kind of future the foundation's experts have prepared for Kosovo— one of the alternatives is placing it under U.N. protection for a long period, deploying the "blue helmets" on the border with Serbia and the gradual creation of a "new type of state in Europe".

The Swedish Foreign Ministry sponsors and finances the foundation, BUJKU said.

Another alternative of the Swedish experts would be Serbia's guarantee of "an irrevocable autonomous status" to Kosovo while the Kosovo Albanians would pledge not to secede during the agreed-on period.

Both alternatives in fact urge the idea of an "independent neutral Kosovo", an idea which Rugova's office has been launching for quite a while now, always arguing that the Albanians are allegedly repressed by the Serb authorities and always suggesting the outbreak of a conflict which would set the whole Balkans to fire.

These same international circles, on the other hand, deny the Serbs, who were a constituent nation in the former Yugoslav Republics of Croatia and Bosnia-Hercegovina, the right to set up their own independent states.

The example of the WASHINGTON POST well illustrates the extent to which some Western media, particularly those in Germany, Austria, France and the U.S., will go to make the world fear Serbia. Speculating about a European war, the POST's journalists say that such a war would break out if Serbia tried to seize Kosovo. It is not by accident that they conceal from their readers that Serbia has no reason to seize Kosovo since it has been its integral part from time immemorial.